



KEYSPAN ENERGY DELIVERY

NHPUC NO. 5 - GAS

**DE98-124
ORDER NO. 23,675**

TARIFF FOR GAS SERVICE IN THE STATE OF NEW HAMPSHIRE



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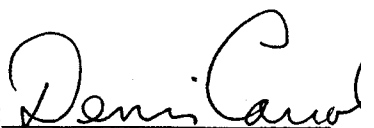
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Title: Vice President and Controller

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I. GENERAL TERMS AND CONDITIONS

1 - SERVICE AREA

- 1(A) Service Area. The area authorized to be served by the Company and to which this tariff applies are the following cities and towns: Allenstown, Amherst, Auburn, Bedford, Belmont, Berlin, Boscawen, Bow Concord, Derry, Franklin, Gilford, Goffstown, Hollis, Hooksett, Hudson, Laconia, Litchfield, Londonderry Loudon, Manchester, Merrimack, Milford, Nashua, Northfield, Pembroke, Sanbornton, Tilton and part Canterbury.

2 - GENERAL TERMS AND CONDITIONS

- 2(A) Filing. A copy of this tariff is on file with the New Hampshire Public Utilities Commission and is open inspection at the offices of the Company.
- 2(B) Revisions. This tariff may be revised, amended, supplemented, or otherwise changed from time to time accordance with the rules of the New Hampshire Public Utilities Commission and such changes, when effective, shall have the same force as the original tariff.
- 2(C) Application. The tariff provisions apply to everyone lawfully receiving gas supply service and/or delivery or service from the Company under the rates herein and receipt of gas service shall constitute the receiver customer of the Company as the term is used herein whether service is based upon contract, agreement, accepted signed application, or otherwise.
- 2(D) Statement by Agents. No representative has the authority to modify a tariff rule or provision or to bind the Company by a promise or representation contrary thereto.
- 2(E) No Prejudice of Rights. The failure of the Company to enforce any of the terms of this tariff shall not be deemed a waiver of its right to do so.
- 2(F) Gratuities to Employees. The Company's employees are strictly forbidden to demand or accept any personal compensation or gifts for service rendered by them while working for the Company on the Company's time.
- 2(G) Advance Payments. Payments to the Company for charges provided in these rules and regulations to be borne by the customer shall be made in advance.
- 2(H) Assignment. Subject to the rules and regulations, all contracts by the Company shall be binding upon, and oblige, and continue for the benefit of, the successors and assigns, heirs, executors, and administrators of the parties hereto.

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I. GENERAL TERMS AND CONDITIONS

3 - CHARACTER OF SERVICE

3 (A) Gas Supply. This Tariff applies only to the supply of gas, having a thermal content of nominally 1,000 British thermal units per cubic foot at supply pressures available in the locality in which the premises to be served are situated.

3(B) Determination of Therms. The gas for any billing period, expressed in hundreds of cubic feet (ccf), shall be multiplied by the average Btu of the gas send-out as determined below and divided by 1,000 in order to determine the number of therms consumed in the billing period.

The average Btu of the gas send-out for billing purposes shall be calculated for a four-week period from the daily average Btu of natural gas delivered to the Company in New Hampshire by its suppliers and gas produced at the Company's standby or peak-shaving plants as determined by appropriate calorimeter operated by the Company or its supplier. The average Btu so calculated shall be used in determining the therms for monthly bills based on meter readings during the week following the computation period.

3(C) Delivery of Gas Supply. The rates specified in this tariff are based upon the supply of service to a single customer through one delivery and metering point.

3(D) Use of Service at Separate Properties. The use of service at two or more separate properties will not be combined for billing purposes.

4 - CUSTOMER'S INSTALLATION

4(A) Point of Delivery. Upon request, the Company will designate a point at which the customer shall terminate his piping for connection to the meter of the Company, but such information does not constitute an agreement or obligation on the part of the Company to furnish service.

4(B) Space for Meter. The customer shall provide, free of expense to the Company, a dry, warm and otherwise suitable place for the regulator or regulators, meter or meters, or other equipment of the Company which may be necessary for the fulfillment of such contracts as may be entered into with the Company.

4(C) Location of Meter. The space provided for the Company's meters and equipment shall be convenient access to the Company's employees and, as near as possible, to the point where the service supply pipe enters the customer's building. Its location shall be such that the meter connections are not concealed by plaster or sheathing and shall be otherwise acceptable to the Company.

4(D) Reverse Flow. The customer may be required to install check valves or other devices to prevent compressed air or other gases from entering the Company's mains.

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I. GENERAL TERMS AND CONDITIONS

5 - APPLICATION FOR SERVICE

- 5(A) Service Contract. Every applicant for gas service may be required to sign a contract, agreement, or other form then in use by the Company covering the special circumstances of his use of gas and must agree to abide by the rules and regulations and standard requirements of the Company.
- 5(B) Right to Reject. The Company may reject any application for service which would involve excessive cost to supply, or which might affect the supply of service to other customers, or for other good and sufficient reasons.
- 5(C) Special Contracts. Standard contracts shall be for terms as specified in the statement of the rate, but where large or special investment is necessary for the supply of service, contracts of longer terms than specified in the rate, or with a special guarantee of revenue, or both, may be required to safeguard such investment.
- 5(D) Unauthorized Use. Unauthorized connection to the Company's gas service supply facilities, and/or the use of service obtained from the Company without authority, or by any false pretense, may be terminated by the Company without notice. The use of service without notifying the Company and enabling it to read its meter will render the user liable for any amount due for service supplied to the premises from the time of the last meter reading of the Company's meter immediately preceding his occupancy as shown by the Company's books.

6 - CREDIT

- 6(A) Prior Debts. Service will not be furnished to former customers until any indebtedness to the Company from previous service has been satisfied.
- 6(B) Deposits. Before rendering or restoring service, the Company may require a deposit subject to the New Hampshire Public Utilities Commission's Rules and Regulations. (See Puc 1203.03).

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I. GENERAL TERMS AND CONDITIONS

7 - SERVICE AND MAIN EXTENSIONS

- 7(A) Service and Main Extensions. In areas where the Company is authorized to operate, subject to the Application for Service provisions of this tariff, service is available as follows:
- 7(B) Residential. The following applies to service pipeline ("service") and main pipeline ("main") extensions in the case of residences [as hereinafter defined in Clause (J)].
- 1) No contribution in Aid of Construction Required. Residential service is available without contribution ("contribution in aid of construction") by the applicant ("customer") when the meter(s) (are) located within 80 feet of the property line (as measured along the service) and within 5 feet of the closest corner of the residence to the street, there are no abnormal costs and either of the following conditions is satisfied
 - a) no main extension is involved; or
 - b) the 25 percent test [as hereinafter described in Clause (J)] is met. The cost of the service is not included in the 25 percent test in the case of residences
 - 2) Contribution in Aid of Construction Required. A contribution in aid of construction is required when the conditions in paragraph (B) (1) are not satisfied. Except as provided in the following clause (I), the contribution is required before installation of the service, and/or main extension ("installation").
- 7(C) Other Than Residential. The following applies to service and main extensions in the case of buildings other than residences [as hereinafter defined in Clause (J)]
- 1) No Contribution in Aid of Construction Required. Service other than for a residence is available without a contribution in aid of construction when the 25 percent test is met and there are no abnormal costs. The cost of the service is included in the 25 percent test for buildings other than residences
 - 2) Contribution in Aid of Construction Required. A contribution in aid of construction is required when the 25 percent test is not met or when there are abnormal costs. Except as provided hereinafter, the contribution is required to be made prior to installation.
- 7(D) Failure to Use Gas Facilities. If a customer fails, within nine months after the date a service requested by him is installed, either in whole or in part, to make use of the service, the customer will reimburse the Company for all costs of constructing, removing and retiring the service less any contribution in aid of construction made by him for the service, which will be forfeited.
- 7(E) Easements, Etc. The Company is not required to construct extensions other than in public ways unless the customer provides, in advance and without expense or cost to the Company, all necessary permits, consents, authorizations and right-of-way easements, satisfactory to the Company, for the construction, maintenance and operation of the pipeline.
- 7(F) Shortest Distance. Services are run the shortest practical safe distance to the meter location. However, the customer may have the Company install a longer alternate service provided that the customer defrays in advance of installation the extra expense.

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I. GENERAL TERMS AND CONDITIONS

7 - SERVICE AND MAIN EXTENSIONS (Cont'd)

- 7(G) Extra Footage. The charge (contribution in aid of construction) for extra footage is the historical average cost per foot for the most recent twelve month period for which such cost has been computed by the Company; the cost will be updated annually; and the most recent annual computation will be used in calculating extra footage charges.
- 7(H) Winter Construction. Ordinarily, no new service pipes or main extensions are installed during the winter conditions (when frost is in the ground) unless the customer defrays the extra expenses.
- 7(I) Time For, and Refund Of, Contribution. Except as otherwise agreed by the Company under unusual circumstances, any required contributions in aid of construction will be made prior to installation by the Company of a service. To help cover the Company's expenses, damages and lost business, ten percent (10%) of the contribution will be forfeited to the Company and not be subject to being returned, when substantial construction of the building or buildings for which gas service has been sought is not commenced by the earlier of (1) November 30th next following submission of the application; and (2) the date when the Company commences construction of the main and service concerned prior to withdrawal of the application. Except as provided in the last preceding sentence and in Clause (D) above, the entire contribution will be refunded if and when the application is withdrawn. A new application may be submitted at any time.
- 7(J) Definitions. The following are definitions of terms used in these provisions relative to main and service extensions and are applicable only in such provisions
- 1) Residence; Residential. A "residence" is any free standing building in which each dwelling unit is separately metered, or a duplex residential building (whether or not it is individually metered); and "residential" means pertaining to a "residence", as so defined.
 - 2) Building Other Than a Residence; Other Than Residential. A "building other than a residence" is any building other than a "residence", as defined above; and "other than residential" means pertaining to a "building other than a residence", as so defined.

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I. GENERAL TERMS AND CONDITIONS

7 - SERVICE AND MAIN EXTENSIONS (Cont'd)

- 3) 25 Percent Test. The 25 percent test is calculated as follows:

The estimated annual margin must be equal to or greater than 25 percent of the estimate construction costs for the main and service extension, subject to the provision of the next two sentences. The cost of the service is included in the construction costs in the case of an extension for a building other than a residence, but not in the case of an extension for a residence. Abnormal costs are charged separately and are not included in the cost of the extension for the purpose of calculating the 25 percent test.

Subject to the provision of the last preceding paragraph, the customer(s) requesting the extension will be required to pay to the Company, in advance, any amount by which the estimate construction cost of the main and service extension exceeds four times the estimated annual margin. The contribution will be required to be made by the customers requesting the extension proportionally according to their respective estimated annual gas use.

Upon completion of the work and the expiration of twelve (12) months thereafter, the Company will recalculate the required contribution based upon the actual construction costs incurred and the actual annual margin. In the event that the recalculation results in a required contribution that is less than that originally made by the customer(s), the excess will be refunded to the customer(s) who originally made the contribution. In the event that the recalculation results in a required contribution that is more than that originally made by the customer(s), the difference shall be promptly contributed to the Company by the customer(s) who requested the extension.

If, during the period five (5) years immediately following the date of completion of construction of particular main and/or service extension for which a contribution was required and made because of the 25 percent test, additional customers are connected to the extension, the contribution requirements will be recalculated, taking into account the estimated annual margin from the new customers; and the new customers will be required to pay the Company their proportional share of the contribution. The Company will make pro rata refunds to the customers who made the original payments, to the extent of the total amount of such shares of such new customers less any forfeitures. If the inclusion of such new customers would increase the estimated annual margin to such an extent that the 25 percent test is met, all unforfeited contribution payments will be returned to the customers who made them if and when the actual annual margin satisfies the 25 percent test.

- 4) Estimated Annual Margin. The estimated annual margin is equal to the estimated revenue to be derived from the monthly Customer Charge and delivery charge to be received from the customer for gas service utilizing the particular main and/or service extension concerned during the first twelve (12) months after completion of the extension. The estimated annual margin does not include revenue received by the Company for the cost of gas. The Company shall recalculate the estimated annual margin for a twelve (12) month period at least once within a year of completion of the installation.
- 5) Cost of Construction. The cost of construction of mains and/or services for both residences and buildings other than residences includes not only the cost of labor and materials for such construction, but also miscellaneous costs incidental thereto or associated therewith.

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I. GENERAL TERMS AND CONDITIONS

7 - SERVICE AND MAIN EXTENSIONS (Cont'd)

- 6) Abnormal Costs. Abnormal costs are service and/or main construction costs that are attributable to frost, ledge, ditching, backfill and/or other conditions not uniformly encountered in service and/or main construction and that are peculiar to the particular service and/or main construction concerned. Abnormal costs are to be paid by the customer.
- 7) Main and Service Extensions. This term refers to the service and, if a main is required to be extended, the main extension, required to be constructed to provide requested gas service.
- 7(K) Reasonable Duration and Non-Discrimination. Under none of the foregoing provisions will the Company be required to install service pipes or to contract main extensions where the business to be secured may not be of reasonable duration or will tend, in any way, to constitute unreasonable discrimination.
- 7(L) Title. Title of all extensions constructed in accordance with the above shall be vested in the Company.
- 7(M) Other Requirements. The Company generally will not approve any application or, if it shall have given such approval, will not proceed or continue with main and/or service construction unless the Company is satisfied
- (1) That the final site plans, sub-division plans and plans and specification for building or buildings to be served by the main and/or service concerned, including plans for waste disposal, water and other associated systems and facilities, have been prepared and approved by owner;
 - (2) That all permits, exceptions, approvals and authorizations of governmental bodies or agencies required for construction of such building or buildings and associated systems and facilities have been obtained;
 - (3) That the customer is proceeding or plans promptly to proceed with such construction; and
 - (4) That nothing has occurred or failed to occur which will or is likely to prevent or interfere with such construction.

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I. GENERAL TERMS AND CONDITIONS

8 - INTRODUCTION OF SERVICE

- 8(A) Service Contract. Every applicant for gas service may be required to sign a contract, agreement, or other form then in use by the Company covering the special circumstances of his use of gas and must agree to abide by the rules and regulations and standard requirements of the Company.
- 8(B) Defective Installation. The Company may refuse to connect if, in its judgment, the customer's installation is defective, or does not comply with such reasonable requirements as may be necessary for safety, or is a violation of the Company's standard requirements.
- 8(C) Unsatisfactory Installation. The Company may refuse to connect if, in its judgment, the customer's equipment or use thereof might injuriously affect the equipment of the Company or the Company's service to other customers.

9 - COMPANY EQUIPMENT ON CUSTOMER'S PREMISES

- 9(A) Meters and Regulators. The Company shall furnish and install, maintain and own, any meter or meters, regulator or regulators required in the supply of service. For certain large customers, the Company shall furnish, install and maintain, at the customer's expense, any remote meter reading equipment to record usage for daily balancing. Such equipment shall remain the property of the Company at all times.
- 9(B) Customer's Responsibility. The customer shall be responsible for safekeeping of the Company's property while on the customer's premises. In the event of injury or destruction of any such property, the customer shall pay the costs of repairs and replacements.
- 9(C) Relocation and/or Replacement of Company Equipment. The original service connection, including piping, meters and all other necessary or incidental equipment, which remains the property of the Company, shall be installed by the Company at its expense unless otherwise expressly provided in this tariff. Subsequent relocation and/or replacement of any such equipment on private property, whether it be for one or more service connections, shall be performed by the Company at the customer's expense unless such work is done at the request of the Company and for its convenience, in which case the Company shall bear the expense thereof.
- 9(D) Protection by Customer. The customer shall protect the equipment of the Company on his premises and shall not permit any persons, except a Company employee having a Company photo identification card or other Company identification, to break any seals upon or do any work on any meter, service supply pipe, or other equipment of the Company located on the customer's premises.
- 9(E) Tampering. In the event the Company's meter or other property is being tampered with or interfered with, the customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter and for any repairs and replacements required as well as for costs of inspections, investigations and protective installation.
- 9(F) Right of Access. The Company's identified employees shall have access to the premises of the customer at all reasonable times for the purpose of reading meters, testing, repairing, removing or exchanging any company equipment belonging to the Company.

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9 - COMPANY EQUIPMENT ON CUSTOMER'S PREMISES (Cont'd)

- 9(G) Ownership and Removal. All equipment supplied by the Company shall remain its exclusive property and the Company shall have the right to remove the same from the premises of the customer at any time after the termination of service for whatever cause.

10 - SERVICE CONTINUITY

- 10(A) Regularity of Supply. The Company will use reasonable diligence to provide a continuous, regular and uninterrupted supply of service, but should the supply be interrupted by the Company for the purpose of making repairs, changes or improvements in any part of its system for the general good of the service or the safety of the public, or should the supply of service be interrupted or fail by reason of accident, strike, legal process, state or municipal interference, or any cause whatsoever beyond its control, the Company shall not be liable for damages, direct or consequential, resulting from such interruption or failure.
- 10(B) Notice of Trouble. The customer shall notify the office of the Company immediately should the service be unsatisfactory for any reason or should there be any defects, leaks, trouble or accident affecting the supply of gas.

11 - CUSTOMER'S USE OF SERVICE

- 11(A) Resale Forbidden. The customer shall not, directly or indirectly, sell, sublet, assign or otherwise dispose of to others, gas purchased from the Company, or any part thereof, without the consent of the Company. This rule does not apply to a public utility Company purchasing gas in bulk expressly for the purpose of delivering it to others.
- 11(B) Fluctuations. Gas service must not be used in such a manner as to cause unusual fluctuations or disturbances in the Company's supply system. In the case of violation of this rule, the Company may discontinue service or require the customer to modify his installation, and/or equip it with approved controlling devices.
- 11(C) Additional Load. The service supply pipe, regulators, meters and equipment supplied by the Company for each customer have definite capacities. The customer shall notify the Company of substantial changes in service requirements or location of appliances.

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12 - INSPECTIONS

- 12(A) Company's Right to Inspect. The Company shall have the right, but shall not be obliged, to inspect an installation before service is introduced or at any time later and reserves the right to reject any piping appliances not in accordance with the Company's standard requirements. However, such inspection, failure to inspect or to reject, shall not render the Company liable or responsible for any losses or damage resulting from defects in the installation, piping or appliances, or from violation of Company rules, or from accidents which may occur upon the premises of the customer.

13 - MEASUREMENT

- 13(A) Supply of Meters. The measurement of gas service shall be by meters furnished and installed by the Company. The Company will select the type and make of metering equipment and may, from time to time change or alter the equipment - its sole obligation being to supply meters that will accurately and adequately furnish records for billing purposes.
- 13(B) Special Measurements. The Company shall have the right, at its option and its own expense, to place demand meters, pressure gauges, special meters, or other instruments on the premises of any customer for the purpose of determining the adequacy of the Company's service or for making tests of all or any part of the customer's load.

14 - METER TESTS

- 14(A) Meter Tests. Meters are tested according to NHPUC Rules and Regulations. (See Puc 505.03 and 505.04).
- 14(B) Request Tests. The fee for a special request test is \$20.00 when scheduled at the mutual convenience of the Company and the customer; otherwise the amount is \$30.00. (See Puc 505.04).
- 14(C) Customer's Bill Adjustment. Should any meter fail to register correctly, the quantity of gas consumed will be determined by the Company based on information supplied by the customer and known by the Company, subject to NHPUC Rules and Regulations. (See Puc 505.05).

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15 - DISCONNECTION BY THE COMPANY

- 15(A) Disconnection by the Company. The Company may disconnect its service to a customer for violation of rules subject to NHPUC Rules and Regulations. (See Puc 1203.11 and 1203.12).
- 15(B) Non-Payment Shut-Off. The Company may disconnect its service on reasonable notice and remove equipment in case of non-payment of amounts billed for gas usage.
- 15(C) Shut-Off for Cause. The Company may disconnect its service on reasonable notice if entry to its meter meters is refused, or if access thereto is obstructed or hazardous, or for other violation of the Company standard requirements.
- 15(D) Safety Shut-Off. The Company may disconnect without notice if the customer's installation has become dangerous or defective.
- 15(E) Defective Equipment. The Company may disconnect without notice if the customer's equipment, or use thereof, might injuriously affect the equipment of the Company or the Company's service to other customers.
- 15(F) Shut-Off for Fraud. The Company may disconnect without notice for abuse, fraud or tampering with the connections, meters or other equipment of the Company.
- 15(G) Reconnection Charge. A reconnection charge is made for reconnection of service discontinued by the Company and is payable in advance in addition to all other amounts due. The reconnection charge is made instead of the meter account charge. The amount of the reconnection charge is the same as the comparable meter account charge except when it has been necessary to dig up the service pipe or connection to effect discontinuance of service. In such cases, the reconnection charge is the price removal and restoration of service pipe or connection.

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16 - COST OF GAS CLAUSE

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16(A) Purpose

The purpose of this Cost of Gas Clause is to establish procedures that allow EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England ("ENGI" or the "Company"), subject to the jurisdiction of the State of New Hampshire Public Utilities Commission ("NHPUC"), to adjust, on a semiannual basis, its rate for firm gas sales and standby gas supply service in order to recover the costs of gas supplies, along with any taxes applicable to those supplies, pipeline and storage capacity, production capacity and storage, bad debt expense associated with purchased gas costs, and the costs of purchased gas working capital, to reflect the seasonal variation in the cost of gas, and to credit to customers receiving firm service from the Company all supplier refunds and capacity credits derived from interruptible sales and transportation and capacity release sales.

16(B) Applicability

This Cost of Gas Clause ("COGC") shall be applicable to ENGI and all firm gas sales made by ENGI unless otherwise designated. The application to the clause may, for good cause shown, be modified by the NHPUC. See Section 16(N), "Other Rules."

16(C) Cost of Firm Gas Allowable for COGC

All costs of firm gas including, but not limited to, commodity costs, taxes on commodity, demand charge, local production and storage costs, other gas supply expense incurred to procure and transport supplies and bad debt percent, as approved by the NHPUC, applied to allowable COGC costs for the forecast period, the gas used in Company operations, transportation fees, costs associated with buyouts of existing contracts, and purchased gas working capital may be included in the COGC. Any costs recovered through application of the COGC shall be identified and explained fully in the semiannual filings outlined in Section 16(M).

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16(D) Effective Date of Cost of Gas Factor

The seasonal Cost of Gas Factor ("COG") shall become effective upon NHPUC approval on the first day of each season as designated by the Company. Unless otherwise notified by the NHPUC, the Company shall submit COG filings as outlined in Section 16(M) of this clause on or before the first business day in September for the Winter Season COG, and at least 45 days before the effective date of the Summer Season COG.

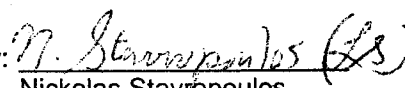
16(E) Definitions

The following terms shall be defined in this section, unless the context requires otherwise.

- (1) **Bad Debt Expense** - The uncollectible expense attributed to the portion of the Company's revenue associated with the recovery of gas costs under this clause, as such amount may be determined by the NHPUC from time to time.
- (2) **Capacity Release Revenues** - The economic benefit derived from the sale or release of transportation and storage capacity that the Company has under contract.
- (3) **Direct Gas Costs** - All purchased gas costs including supplier, storage and pipeline demand and commodity costs, as well as the commodity costs for local manufactured gas (Liquid Propane Gas ("LPG") and Liquefied Natural Gas ("LNG")).
- (4) **Economic Benefit** - The difference between the revenues received and the marginal cost determined to serve non-core customers.
- (5) **Interruptible Sales Margins** - The economic benefit derived from the interruptible sale of gas downstream of the Company's distribution system.
- (6) **Inventory Finance Charges** - As billed in each Winter Season for annual charges. The total shall represent an accumulation of the projected charges as calculated using the monthly average of financed inventory at the existing or anticipated financing rate through a trust or other financing vehicle.
- (7) **Local Production and Storage Capacity Costs** - - The costs of providing storage service from the Company's storage facilities (i.e., LNG and LPG) as determined in the Company's most recent rate proceeding.
- (8) **MBA** - Market Based Allocator - The method used to allocate gas costs among Commercial and Industrial Customer Classifications. These ratios are presented in Section 16(F).
- (9) **Non-Core Commodity Costs** - The commodity cost of gas assigned to non-core sales to which the COG is not applied.
- (10) **Non-Core Sales** - Sales made under interruptible contracts, non-traditional off-system sales and firm standby gas service.
- (11) **Non-Core Sales Margins** - The economic benefit derived from non-core transactions to which the COG is not applied, including interruptible sales and other non-core sales generated from the use of the Company's Gas Supply Resource portfolio.
- (12) **Summer Commodity** - The gas supplies procured by the Company to serve firm load in the Summer Season.
- (13) **Summer Demand** - The gas supply demand and transmission capacity procured by the Company to serve firm load in the Summer Season.
- (14) **Summer Season** - The calendar months May 1 through October 31.

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- (15) **Off-System Sales Margin** - The economic benefit derived from the non-firm sales of natural gas supplies upstream of Company's distribution system.
- (16) **Winter Commodity** - The gas supplies procured by the Company to serve firm load in the Winter Season.
- (17) **Winter Demand** - Gas supply demand, peaking demands, storage and transmission capacity procured by the Company to service firm load in the Winter Season.
- (18) **Winter Season** - The calendar months November 1 through April 30.
- (19) **PR Allocator** - The percentage of annual capacity charges assigned to the Winter Season calculated using the Proportional Responsibility Method.
- (20) **Purchased Gas Working Capital** - The allowable working capital derived from Winter Season and Summer Season demand and commodity related costs.

16(F) Approved Cost

The Cost of Gas calculation utilizes information periodically established by the NHPUC. The table below lists the approved costs factors:

Variable	Description	Approved Figure
MISC	Miscellaneous Overhead	\$607,226
PS	Production and Storage Capacity	\$2,475,244
WCA%	Working Capital Allowance Percentage	0.56%
BD%	Bad Debt Percentage	0.97%
RATIOwl	Winter Ratio for Low Winter Use	0.90247
RATIOwh	Winter Ratio for High Winter Use	1.03231
RATIOsl	Summer Ratio for Low Winter Use	0.98254
RATIOsh	Summer Ratio for High Winter Use	1.02665

16(G) Cost of Gas (COG) Calculations by Customer Class

The Cost of Gas (COG) Formula shall be computed on a semiannual basis for three (3) groups of customer classes as shown on the following table. The computation will use forecasts of seasonal gas costs, carrying charges, sendout volumes, and sales volumes. Forecasts shall be based on either historical data Company projections, but must be weather-normalized. Any projections must be documented in full with each filing.

GROUP	CUSTOMER CLASSES
Residential	Residential Heating and Non-Heating
Commercial and Industrial: Low Winter Use	<u>G-51, G-52 G-53, G-54, and G-63</u>
Commercial and Industrial: High Winter Use	<u>G-41, G-42 and G-43</u>

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Winter Season Cost of Gas Formula (CGw)

The Winter Season COG shall be comprised of Winter Demand costs, Winter commodity costs, Winter reconciliation costs, Winter working capital reconciliation, Winter bad debt expenses, local production and storage capacity costs, and miscellaneous and A&G costs calculated at the beginning of the Winter Season according to the following formula:

$$CGw = Dw + Cw + Rw + WCRw + BDw + PS + (MISC \times \frac{W:Sales}{A:Sales})$$

Winter Demand Cost (Dw) Formula

$$Dw = DEMw - NCSMw + WCwd - R1d - R2d$$

and:

$$NCSMw = CRRw + ISMw + OSSMw + SBdw$$

and:

$$WCwd = (DEMw - NCSMw) \times WCA\%$$

Where:

CGw	The total cost of gas for the Winter Season for the Company's firm sales customers previously defined.
BDw	Bad Debt expense for the Winter Season.
Cw	Commodity-related direct gas cost for the Winter Season.
Dw	The total Winter Demand costs.
DEMw	Demand Charges allocated to the Winter Season defined in Section 16(E).
NCSMw	The Non-Core Sales Margins equal to the sum of the Winter Season returnable Interruptible Sale Margins, the Capacity Release Revenues, Off-System Sales Margins, Revenues and Demand Delivery Service Revenues.
WCwd	Working Capital allowable associated with demand charges allocated to the Winter Season as defined in Section 16(K).
R1d, R2d	Supplier demand-related refunds - The Supplier refunds associated with refund program credits derived from Account 242.1, "Undistributed Gas Suppliers' Refunds." See Section 16(I).
CRRw	The returnable Capacity Release Revenues allocated to the Winter Season. See Section 16(E).

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ISMw	The returnable Interruptible Sales Margins allocated to the Winter Season. See Section 16(E).
OSSMw	The returnable Off-System Sales Margins allocated to the Winter Season. See Section 16(E).
SBdw	Demand revenues received from Firm Stand-By Sales Service customers in the Winter Season.
WCA %	Percentage of gas costs equivalent to Working Capital Allowance associated with gas cost. Refer to Section 16(F) for this percentage.
Rw	Reconciliation Costs – Winter Season deferred gas costs, Account 175.2 balance, inclusive of the associated Account 175.2 interest, as outlined in Section 16(J).
WCRw	Working Capital reconciliation adjustment associated with Winter Gas Costs - Account 142.1 balance as outlined in Section 16(K).
PS	The total dollar amount of costs associated with the local production and storage capacity gas less any production and storage capacity assignment revenues. Refer to Section 16(F) for this dollar amount.
MISC	The total dollar amount of gas costs associated with acquisition, dispatching, Administrative and General expenses and overheads as determined in the Company's most recent rate proceeding. Refer to Section 16(F) for this dollar amount.
W:Sales	Forecasted firm sales volumes associated with the Winter Season.
A:Sales	Forecasted annual firm sales volumes.

Winter Season Commodity (Cw) Formula

$$Cw = COMw + FC + WCwc - R1c - R2c$$

and:

$$COMw = WSC - NCCCw - SBcw$$

and:

$$WCwc = (COMw + FC) \times WCA \%$$

Where:

COMw	Commodity Charges allocated to the Winter Season as defined in Section 16(E).
FC	Inventory finance charges as defined in Section 16(E).
WCwc	Working Capital Allowable Associated with commodity charges allocated to the Winter Season as defined in Section 16(K).

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R1c, R2c	Supplier commodity-related refunds - The supplier refunds associated with refund program credits derived from Account 242.2, "Undistributed Gas Suppliers' Refunds". See Section 16(I).
WSC	Commodity charges associated with gas supply sent out in Winter Season as defined in Section 16(E).
NCCCw	Non-Core Commodity Costs incurred in the Winter Season as defined in Section 16(E).
SBcw	Winter Season commodity revenues received from Firm Stand-By Gas Supply Service sale customers.
WCA %	Percentage of gas costs, equivalent to Working Capital Allowance associated with gas costs. Refer to Section 16(F) for this percentage.

Winter Bad Debt (BDw) Formula

$$BDw = BDEw + Rbdw$$

and:

$$BDEw = BD\% \times (Dw + Cw + Rw + WCRw)$$

Where:

BDw	Bad Debt expense for Winter Season, plus the Winter Season Bad Debt Expense Reconciliation.
BDEw	Forecasted gas supply cost related Bad Debt Expense calculated for Winter Season.
Rbdw	Winter Season Bad Debt Expense reconciliation adjustment - Account 175.52 balance.
BD%	Percentage of total bad debt expense associated with the COG. Refer to Section 16(F) for this percentage.
Dw	Demand related costs in the Winter Season as previously defined.
Cw	Commodity related costs in the Winter Season as previously defined.
Rw	Reconciliation Costs – Winter Season deferred gas costs as previously defined.
WCRw	Winter Season Working Capital Reconciliation adjustment as previously defined.

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Residential Winter Season Cost of Gas (COGwr)

All residential firm sales customers will pay the same Cost of Gas for the Winter Season. The factor represents the total forecasted Winter Season average cost of gas rate. This factor is calculated according to the following formula:

$$\text{COGwr} = \frac{\text{CGw}}{\text{W:Sales}}$$

Where:

CGw The total cost of gas for the Winter Season for the Company's firm sales customers previously defined.

W:Sales Forecasted sales volumes associated with the Winter Season.

r Designates the Residential Heating and Residential Non-Heating customer classes.

Commercial and Industrial Winter Season Cost of Gas

The Commercial and Industrial customer classes Winter Season Cost of Gas will be based on the Winter Season gas cost less the total average cost of gas used for the Residential Winter Season Cost of Gas. A separate Winter Season Cost of Gas will be computed for each low winter use class, Rates G-51, G-52, G-53, G-54, and G-63 and a separate Winter Season Cost of Gas will be computed for each high winter use class, Rates G-41, G-42 and G-43.

These Cost of Gas Factors will be computed by applying ratios to the average Winter Season gas cost rate. Refer to Section 16(F) for these percentages. The resulting low winter use factor and high winter use factor will then be adjusted to recover the total Commercial and Industrial Winter Season gas costs. These factors are calculated according to the following formulas:

Low Winter Use (COGwl) Formula

$$\text{COGwl} = \text{COGwr} \times \text{CFw} \times \text{RATIOwl}$$

and

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High Winter Use (COGwh) Formula

$$\text{COGwh} = \text{COGwr} \times \text{CFw} \times \text{RATIOwh}$$

and:

$$\text{CFw} = \frac{(\text{WL:Sales} + \text{WH:Sales})}{(\text{RATIOwl} \times \text{WL:Sales}) + (\text{RATIOwh} \times \text{WH:Sales})}$$

Where:

COGwr Residential Winter Season Cost of Gas as previously defined.

CFw Winter Season Commercial and Industrial gas cost correction factor.

WL:Sales Total Winter Season forecasted Commercial and Industrial low winter use sales volumes.

WH:Sales Total Winter Season forecasted Commercial and Industrial high winter use sales volumes.

RATIOwl Fixed Ratio of low Winter Use class Cost of Gas to average Winter Cost of Gas. See Section 16(F).

RATIOwh Fixed Ratio of high Winter Use class Cost of Gas to average Winter Cost of Gas. See Section 16(F).

Summer Season Cost of Gas (COG) Formula (CGs)

The Summer Season COG shall be comprised of Summer demand costs and Summer commodity costs, Summer reconciliation costs, Summer working capital reconciliation, plus a Summer bad debt charge, and a miscellaneous and A&G charge calculated at the beginning of the Summer Season according to the following formula:

$$\text{CGs} = \text{Ds} + \text{Cs} + \text{Rs} + \text{WCRs} + \text{BDs} + (\text{MISC} \times \frac{\text{S:Sales}}{\text{A:Sales}})$$

Summer Demand Cost (Ds) Formula

$$\text{Ds} = \text{DEMs} + \text{WCsd} - \text{R1d} - \text{R2d}$$

and:

$$\text{WCsd} = \text{DEMs} \times \text{WCA\%}$$

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Where:

A:Sales	Forecasted annual sales volumes.
BDs	Bad Debt Expense for Summer Season.
Cs	Commodity-related direct gas costs for the Summer Season.
CGs	The total cost of gas for the Summer Season for the Company's firm sales customer previously defined.
DEMs	Demand charges allocated to the Summer Season defined in Section 16(E).
MISC	The total dollar amount of gas costs associated with acquisition, dispatching, Administrative and General expenses and overheads as determined in the Company's most recent rate proceeding. Refer to Section 16(F) for this dollar amount.
R1d, R2d	Supplier refunds from pipeline demand charges - The per unit supplier refunds associated with refund program credits derived from Account 242.1, "Undistributed Gas Suppliers' Refunds." See Section 16(I).
Rs	Summer Season Reconciliation Costs - Account 175.4 balance, inclusive of the associated Account 175.4 interest, as outlined in Section 16(J).
S:Sales	Forecasted sales volumes associated with the Summer Season.
WCA %	Ratio of working capital expenses associated with gas costs, to total gas costs. Refer to Section 16(F) for this percentage.
WCRs	Working Capital reconciliation adjustment associated with Summer gas costs – Account 142.40 as outlined in Section 16(K).
WCsd	Working Capital allowable costs associated with demand costs allocated to the Summer Season as defined in Section 16(K).

Summer Season Commodity Cost (Cs) Formula

$$Cs = COMs - NCCCs + WCsc - R1c - R2c$$

and: $WCsc = (COMs - NCCCs) \times WCA\%$

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Where:

COMs	Commodity charges associated with gas supply sent out in the Summer Season as defined Section 16(E).
WCsc	Working Capital allowable costs associated with commodity charges allocated to the Summer Season as defined in Section 16(K).
R1c, R2c	Supplier refunds from pipeline commodity charges - The supplier refunds associated with refund program credits derived from Account 242.2, "Undistributed Gas Suppliers' Refunds."
NCCCs	Non-core commodity costs incurred in the Summer Season as defined in Section 16(E).
WCA%	Percentage of gas costs equivalent to Working Capital Allowance associated with gas costs. Refer to Section 16(F) for this percentage.

Summer Bad Debt (BDs) Formula

	$BDs = BDEs + Rbds$
and:	$BDEs = BD\% \times (Ds + Cs + Rs + WCRs)$

Where:

BD%	Gas Supply related bad debt expense for firm sales service divided by direct gas costs. Refer to Section 16(F) for this percentage.
BDs	Bad Debt Expense for the Summer Season, plus the Summer Season Bad Debt Expense Reconciliation.
BDEs	Forecasted gas supply related Bad Debt Expense calculated for Summer Season defined in Section 16(E).
Rbds	Summer Season Bad Debt Expense reconciliation adjustment - Account 175.54 balance.
Ds	Demand related costs in the Summer Season as previously defined.
Cs	Commodity related costs in the Summer Season as previously defined.
Rs	Reconciliation Costs – Summer deferred gas costs as previously defined.
WCRs	Summer Season Working Capital Reconciliation adjustment as previously defined.

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Residential Summer Season Cost of Gas (COGsr)

All residential firm sales customers will pay the same cost of gas for the Summer Season. The factor represents the total forecasted Summer Season average cost of gas rate. This factor is calculated according to the following formula:

$$\text{COGsr} = \frac{\text{CGs}}{\text{S:Sales}}$$

Where:

- CGs The total cost of gas for the Summer Season for the Company's firm sales customers as previously defined.
- S:Sales Forecasted sales volumes associated with the Summer Season.
- r Designates the Residential Heating and Residential Non-Heating customer classes.

Commercial and Industrial Summer Season Cost of Gas

The Commercial and Industrial customer classes Summer Season Cost of Gas will be based on the Summer Season gas costs less the total average Cost of Gas used for the Residential Summer Season Cost of Gas. A separate Summer Season low winter use Cost of Gas will be computed for Rates G-51, G-52, G-53, G-54, and G-63 and a separate Summer Season high winter use for Rates G-41, G-42 and G-43.

These Cost of Gas Factors will be computed by applying ratios to the average Summer Season gas cost rate. Refer to Section 16(F) for these percentages. The resulting low winter use factor and high winter use factor will then be adjusted to recover the total Commercial and Industrial Winter Season gas costs. These factors are calculated according to the following formulas:

Commercial and Industrial Summer Season Cost of Gas

Low Winter Use (COGsl)

$$\text{COGsl} = \text{COGsr} \times \text{CFs} \times \text{RATIOsl}$$

and

High Winter Use (COGsh)

$$\text{COGsh} = \text{COGsr} \times \text{CFs} \times \text{RATIOsh}$$

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and:

$$\text{CFs} = \frac{(\text{SL:Sales} + \text{SH:Sales})}{(\text{RATIOsl} \times \text{SL:Sales}) + (\text{RATIOsh} \times \text{SH:Sales})}$$

Where:

CFs	Summer Season Commercial and Industrial gas cost correction factor.
COGsr	Residential Summer Season Cost of Gas as previously defined.
RATIOsl	Fixed ratio of low Winter Commercial and Industrial use class Cost of Gas to average Summer Cost of Gas. See Section 16(F).
RATIOsh	Fixed ratio of high Winter Commercial and Industrial use class Cost of Gas to average Summer Cost of Gas. See Section 16(F).
SL:Sales	Total Summer Season forecasted Commercial and Industrial low Winter use sales volumes.
SH:Sales	Total Summer Season forecasted Commercial and Industrial high Winter use sales volumes.

16(H) Non-Core Sales Margins ("NCSM")

One hundred percent (100%) of margins from Interruptible Sales, Off-System Sales and all revenues from Capacity Release, and Firm Standby Gas Service will be credited to firm sales customers during the winter season through operation of the COG.

16(I) Gas Suppliers' Refunds - Accounts 242.1 and 242.2

Refunds from upstream capacity suppliers and suppliers of product demand are credited to Account 242.1 "Undistributed Purchased Capacity/Product Demand Refunds." Refunds from suppliers of gas are credited to account 242.2, "Commodity Undistributed Gas Suppliers' Refunds." Transfers from these accounts will reflect as a credit in the semiannual calculation of the COG to be calculated as follows:

Refund programs shall be initiated with each semiannual COG filing and shall remain in effect for a period of one year. The total dollars to be placed into a given refund program shall be net of over/under-returns from expired programs plus refunds received from suppliers since the previous program was initiated. Refunds shall be segregated by demand and commodity charges and distributed volumetrically, producing per unit refund that will return the principal amount with interest as calculated using the Company's average short-term cost of borrowing for the month to the average of the beginning and end of month balances of refunds. The Company shall track and report on all Account 242.1 and Account 242.2 activities as specified in Section 16(K).

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Dennis Carroll
Title: Vice President and Controller

I. GENERAL TERMS AND CONDITIONS

16 - COST OF GAS CLAUSE

16(J) Reconciliation Adjustments - Account 175

(1) The following definitions pertain to reconciliation adjustment calculations:

(a) Capacity Costs Allowable per Winter Season Formula shall be:

- i. Charges associated with upstream storage transmission capacity and product demand procured by the Company to serve firm load in the Winter Season, plus a reallocation of a portion of such charges incurred in the Summer Season to serve firm load.
- ii. Charges associated with peaking, downstream production and storage capacity to serve firm load dispatching costs, and other administrative and general expense in connection with purchasing gas supplies in the Winter Season from the Company's most recent test year and allocated to firm sales service.
- iii. Non-Core Sales Margins or economic benefits associated with returnable capacity release, off-system sales and interruptible sales margins allocated to the firm sales service.
- iv. Credits associated with firm Stand-by Gas Supply Service Monthly Reservation Charges, daily imbalance charges and fixed component of penalty charges billed transportation customers in the Winter peak Season.
- v. Winter Season Demand Cost carrying charges.

(b) Gas Costs Allowable Per Winter Season Formula shall be:

- i. Charges associated with gas supplies, including any applicable taxes, purchased by the Company to serve firm load in the Winter Season.
- ii. Credit non-core commodity costs assigned to non-core customers to which the COGC does not apply, as defined in Section 16(H) (NCCCw).
- iii. Inventory finance charges (FC).
- iv. Winter Season commodity cost carrying charges.

(c) Capacity Costs Allowable Per Summer Season Formula shall be:

- i. Charges associated with transmission capacity and product demand procured by the Company to serve firm load in the Summer Season.
- ii. Credits associated with daily imbalance charges and fixed component of penalty charges billed transportation customers in the Summer Season.
- iii. Summer Season demand cost carrying charges.

(d) Gas Costs Allowable Per Summer Season Formula shall be:

- i. Charges associated with gas supplies, including any applicable taxes, procured by the Company to serve firm load in the Summer Season.
- ii. Non-core commodity costs associated with non-core sales to which the COG is not applied, as defined in Section 16(E).
- iii. Summer Season commodity cost carrying charges.

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Vice President and Controller

I. GENERAL TERMS AND CONDITIONS

16 - COST OF GAS CLAUSE

- (e) Costs Allowable Per Bad Debt Formula shall be:
- i. Costs associated with uncollected gas costs, incurred by the Company to serve sales load in the Winter and Summer Seasons. Such costs represent the bad debt expense related to the gas supply related write-off of sales customers and will be computed by multiplying actual gas costs for a fixed percentage as provided in Section 16(F). The reconciliation adjustment each season will be computed as the difference between the previous year estimated bad debt expense for the same season and the actual gas costs for that season multiplied by the bad debt percentage in Section 16(F).
 - ii. Account 175.52 – Winter Seasonal Bad Debt, carrying charges.
 - iii. Account 175.54 - Summer Season Bad Debt carrying charges.

(2) Calculation of the Reconciliation Adjustments

Account 175 contains the accumulated difference between gas cost revenues and the actual monthly gas costs incurred by the Company. The Company shall separate Account 175 into Winter Season Gas Costs (Account 175.20) and Summer Season Gas Costs (Account 175.40). Account 175.20 shall contain the accumulated difference between revenues toward gas costs calculated by multiplying the Winter Season Gas Cost for each Customer Classification, (COGwr, COGwl and COGwh) times monthly firm sales volumes for each Customer Classification, and the total cost allowable per the Winter Season gas cost formula. Account 175.40 shall contain the accumulated difference between revenues toward gas costs calculated by multiplying the Summer Season Gas Cost for each Customer Classification, (COGsr, COGsl and COGsh) times monthly firm sales volumes for each Customer Classification, and the total gas costs allowable per the Summer Season demand formula.

Carrying Charges shall be calculated on the average monthly balance of each subaccount. The interest rate is to be adjusted each quarter using the prime interest rate as reported by the *Wall Street Journal* on the first date of the month preceding the first month of the quarter.

The seasonal bad debt reconciliation adjustments Rbdw and Rbds shall be determined for use in each season, incorporating the bad debt balances in Account 175.52 and 175.54 respectively.

The bad debt account balance for each season shall be calculated by taking the bad debt expense of gas costs for sales service and multiplying by the difference between the Cost of Gas in the Company's Seasonal COG filing, less the actual costs for the same season.

The Winter Season reconciliation shall be filed with the NHPUC no later than July 29 of each year.

The Summer Season reconciliation shall be filed with the NHPUC no later than January 31 of each year.

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I. GENERAL TERMS AND CONDITIONS

16 - COST OF GAS CLAUSE

16(K) Working Capital Reconciliation Adjustments - Account 142

- (1) The following definitions pertain to reconciliation adjustment calculations:
- (a) Working Capital Demand Gas Costs Allowable per Winter Season Gas Formula shall be:
 - i. Charges associated with upstream storage, transmission capacity, and product demand procured by the Company to serve firm load in the peak period, plus a reallocation of a portion of such charges incurred in the Summer Season to serve firm load.
 - ii. Carrying charges.
 - (b) Working Capital Commodity Gas Costs Allowable per Winter Season Gas Formula shall be:
 - i. Charges associated with gas supplies, including any applicable taxes, purchase by the Company to serve firm load in the peak season.
 - ii. Non-core commodity costs associated with non-core sales to which the COG is not applied, as defined in Section 16(E).
 - iii. Carrying charges.
 - (c) Working Capital Demand Gas Costs Allowable per Summer Season Gas Formula shall be:
 - i. Charges associated with upstream storage and transmission capacity procured by the Company to serve firm load in the Summer Season.
 - ii. Carrying charges.
 - (d) Working Capital Commodity Gas Costs Allowable per Summer Season Gas Formula shall be:
 - i. Charges associated with gas supplies, including any applicable taxes, procured by the Company to serve firm load in the Summer Season.
 - ii. Non-core commodity costs associated with non-core sales.
 - iii. Carrying charges.
 - (e) The Winter and Summer Cost of Gas working capital allowances shall be calculated by applying the Working Capital Allowance percentage (WCA %).

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(2) Calculation of the Reconciliation Adjustments

- (a) Accounts 142.20 and 142.40 contain the accumulated difference between working capital allowance revenues and the actual monthly working capital allowance cost. The actual monthly working capital allowance shall be calculated by multiplying the actual gas cost times the Working Capital Allowance Percentage (WCA%) set forth in Section 16(F), to the actual Direct Gas Costs allowable.
- (b) The Winter Season working capital reconciliation adjustment (WCRw) shall be determined for use in the Winter Season Gas Cost calculations incorporating the Winter Season working capital account 142.20. A Summer Season working capital reconciliation adjustment (WCRs) shall be determined for use in the Summer Season Gas Cost calculations incorporating the Summer Season working capital account 142.40 balance.

16(L) Application of COG to Bills

The Company will employ the COGs as follows: The COGs (\$/therm) for each customer group for each season shall be calculated to the nearest hundredth of a cent per unit and will be applied to each customer's monthly sales volume within the corresponding customer classification. The Cost of Gas will be applied to gas consumed on or after the first day of the month in which the cost of gas becomes effective.

16(M) Information Required to be Filed with the NHPUC

(1) Reconciliation Adjustments

The Company shall file with the NHPUC a seasonal reconciliation of gas costs and gas cost collection containing information in support of the reconciliation calculation set out in Sections 16(J) (2) and 16(K) (2). Such information shall include the complete list of gas costs recoverable through the COGC over the previous season. This seasonal reconciliation shall be filed with the respective seasonal COG reconciliation filing, along with complete documentation of the reconciliation adjustment calculations.

Additionally, information pertaining to the Cost of Gas shall be filed with the NHPUC in accordance with the format established by the NHPUC. Reporting requirements include filing the Company's monthly calculation of the projected over or under-collection with the NHPUC, along with notification by the Company to the NHPUC of any revised COG for the subsequent month, not less than five (5) business days prior to the first day of the subsequent month.

The Company shall file with the NHPUC a seasonal reconciliation of bad debt expense and bad debt collections containing information in support of the reconciliation calculation set out in Sections 16(J) (1) and 16(J) (2). Such information shall detail the revenues collected as an allowance for bad debt, as well as the actual bad debt expense associated with gas cost recoverable through the COGC over the previous season. This seasonal reconciliation of bad debt expenses shall be filed with the respective seasonal COG reconciliation filing, along with documentation.

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(2) Commercial and Industrial COG Ratio

The following factors will be filed annually by the Company for informational purposes. Significant changes in these factors signal the need to evaluate the COG ratios. These variables will assist in predicting significant shifting of the MBA-based escalator of gas costs and resulting changes in the COG ratios:

- a) The percentage of load migration from sales to transportation service in the Commercial and Industrial High and Low Winter Use classes.
- b) The ratio of delivered costs of winter supplies to pipeline delivered supplies.
- c) The July and August consumption for the Commercial and Industrial High and Low Winter Use classes as a percentage of their annual consumption.

16(N) Other Rules

- (1) The NHPUC may, where appropriate, on petition or on its own motion, grant an exception from the provisions of this tariff, upon such terms that it may determine to be in the public interest.
- (2) The Company may, without further NHPUC action, adjust the approved COG upward or downward monthly based on the Company's calculation of the projected over or under-collection for the period, but the cumulative adjustments shall not exceed twenty percent (20%) of the approved COG.
- (3) The Company may, at any time, file with the NHPUC an amended COG.
- (4) The operation of the Cost of Gas Clause is subject to all powers of suspension and investigation vested in the NHPUC.

16(O) Firm Standby Gas Supply Service Commodity Cost

The Commodity Cost for Stand-by Gas Supply Quantities scheduled by the Customer shall be calculated daily at a rate equal to the Marginal Cost, as defined in the Company's Transportation Terms and Conditions, times the Scheduled Stand-by Gas Supply Quantity. Any commodity revenues billed from this service shall be credited to the total firm class commodity cost component of the gas costs for that season.

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16(P) Reconciliation Adjustment Accounts

142.20 Winter Season Gas Working Capital Allowance Reconciliation Adjustment for COGC

This account shall be used to record the cumulative difference between Winter Season gas working capital allowance revenues and Winter Season gas working capital allowance. Entries to this account shall be determined as outlined in the Cost of Gas Clause.

142.40 Summer Season Gas Working Capital Allowance Reconciliation Adjustment for COGC

This account shall be used to record the cumulative difference between Summer Season gas working capital allowance revenues and Summer Season gas working capital allowance. Entries to this account shall be determined as outlined in the Cost of Gas Clause.

175.20 Winter Season Gas Cost Reconciliation Adjustment for COGC

This account shall be used to record the cumulative difference between Winter Season gas revenues and Winter Season gas costs. Entries to this account shall be determined as outlined in the Cost of Gas Clause.

175.40 Summer Season Gas Cost Reconciliation Adjustment for COGC

This account shall be used to record the cumulative difference between Summer Season gas revenues and Summer Season gas costs. Entries to this account shall be determined as outlined in the Cost of Gas Clause.

175.52 Winter Season Bad Debt Reconciliation Adjustment for COGC

This account shall be used to record the cumulative difference between Winter Season bad debt revenues and Winter Season bad debt costs. Entries to this account shall be determined as outlined in the Cost of Gas Clause.

175.54 Summer Season Bad Debt Reconciliation Adjustment for COGC

This account shall be used to record the cumulative difference between Summer Season bad debt revenues and Summer Season bad debt costs. Entries to this account shall be determined as outlined in the Cost of Gas Clause.

242.1 Undistributed Purchase Capacity/Product Demand Refunds

This account shall be used to record the refunds from upstream capacity supplies and suppliers of product demand and transfer of credits in the semiannual calculation of the COG. Entries to this account shall be determined as outlined in the Cost of Gas Clause.

242.2 Commodity Undistributed Gas Suppliers Refunds

This account shall be used to record the refunds from upstream commodity supplies and suppliers of product commodity and transfers of credits in the semiannual calculation of the COG. Entries to this account shall be determined as outlined in the Cost of Gas Clause.

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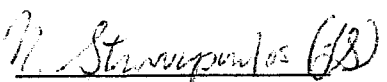
16 - COST OF GAS CLAUSE

16(Q) Firm Transportation Cost of Gas Charge

To permit the Company to charge its firm transportation customers with a portion of the cost of gas produced by the Company between November 1 and April 30 of each year, there is a Firm Transportation Cost of Gas Charge ("FTCG") which applies to all firm transportation billed under this tariff. This volumetric charge is to compensate firm sales customers for the increase in gas costs, through the use of supplemental liquid fuels, attributable to firm transportation customers during the Winter Period

- 1) Application. The FTCG will be calculated for the Winter Period, defined as the period from November 1 through April 30. The FTCG will be applied to billings commencing with the first November revenue billing cycle
- 2) Purpose. The amount of the FTCG is the estimated liquid costs used for pressure support purposes multiplied by the transportation throughput as a percentage of the total system throughput for the Winter Period. The resulting amount shall be adjusted by the prior period over or under collection, if any, and shall be recovered over the estimated total transportation throughput subject to the FTCG to yield a per therm volumetric charge. The FTCG shall be computed to the nearest one hundredth cent per therm and shown separately on customers' bills. At the conclusion of the Winter Period, the Company will calculate the extent that the FTCG revenues are greater or lesser than actual unit cost. The revenue and liquid costs will be reconciled so that all liquids costs shall be collected from either firm sales or firm transportation customers.
- 3) Changes. The amount of the FTCG may be changed within the period whenever the unit cost materially deviates from the anticipated unit cost
- 4) Reporting. The Company shall submit to the New Hampshire Public Utilities Commission, on or before the first business day in September, a copy of the FTCG computation. A reconciliation of the prior period under/over collection will be submitted to the New Hampshire Public Utilities Commission no later than July 29.

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Nicklas Stavropoulos
Title: President

I. GENERAL TERMS AND CONDITIONS

17 - FIXED PRICE OPTION PROGRAM

- 17(A) Fixed Price Option Program. An alternative to the traditional Winter Period cost of gas pricing mechanism may be elected by the customer pursuant to the Company's Fixed Price Option Program (the "Program"). The Company may offer up to 50% of its weather normalized firm sales for the prior Winter Period under the Program. The cost of gas rate offered under the Program will remain fixed for all Winter Period deliveries commencing November 1 and ending April 30. The Company shall submit to the New Hampshire Public Utilities Commission on or before September 15 of each year a copy of the fixed price option computation. Once elected, customers must remain on the Program for the duration of the Winter Period, unless service is terminated. There are no maximum or minimum usage levels. No sign up fees apply.

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Nicklas Stavropoulos
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I. GENERAL TERMS AND CONDITIONS

18. LOCAL DELIVERY ADJUSTMENT CLAUSE

Section

- 18(A) Purpose
- 18(B) Applicability
- 18(C) Demand-Side Management and/or Energy Efficiency Costs Allowable for Local Delivery Adjustment Clause ("LDAC")
- 18(D) Environmental Response Costs Allowable for LDAC
- 18(E) Interruptible Transportation Margins Allowable for LDAC
- 18(F) Expenses Related to Gas Restructuring Allowable for LDAC
- 18(G) Expenses Related to Rate Case
- 18(H) Effective Date of LDAC
- 18(I) LDAC Formulas
- 18(J) Application of LDAC to Bills
- 18(K) Other Rules
- 18(L) Amendments to Uniform System of Accounts

18(A) Purpose

The purpose of the Local Delivery Adjustment Clause ("LDAC" or this "Clause") is to establish procedures that allow the Company, subject to the jurisdiction of the NHPUC, to adjust, on an annual basis, its delivery charges in order to recover Conservation Charges ("CC"), Winter Period Surcharges ("WPS"), Environmental Surcharges ("ES") including the Relief Holder Surcharge ("RHS") and the Manufactured Gas Program Surcharge ("MGP"), to return interruptible transportation margin credits ("ITMC"), recover gas restructuring expenses ("GRE"), rate case expenses ("RCE") and any other expenses the NHPUC may approve from time to time.

18(B) Applicability

This Clause shall be applicable in whole or part to all of the Company's firm sales service and firm delivery service customers as shown on the table below. The application of this clause may, for good cause shown, be modified by the NHPUC. See Section 18(K), "Other Rules."

<i>Applicability</i>	<i>CC 18(C)</i>	<i>ES 18(D)</i>	<i>ITMC 18(E)</i>	<i>GRE 18(F)</i>	<i>RCE 18(G)</i>
Residential Non-Space Heating – R-1	1	X	X	N/A	1
Residential Space Heating – R-3	1	X	X	N/A	1
Small C&I – G-41, G-51	1	X	X	X	1
Medium C&I – G-42, G-52	1	X	X	X	1
Large C&I – G-43, G-53, G-63	1	X	X	X	1

Notes:

- N/A Not applicable
- X Applicable to all
- 1 As ordered by the NHPUC

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Dennis Carroll
Title: Vice President and Controller

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18(C) Conservation Charges Allowable for LDAC

18(C)(1) Purpose

The purpose of this provision is to establish a procedure that allows the Company, subject to the jurisdiction of the NHPUC, to adjust, on an annual basis, the Conservation Charge, if and when applicable, to firm sales service and firm delivery service throughput in order to recover from firm ratepayers costs and lost margins associated with its conservation and demand side management programs.

18(C)(2) Applicability

A conservation charge shall be applied to therms sold or transported by the Company subject to the jurisdiction of the New Hampshire Public Utilities Commission (the "Commission") as determined in accordance with the provision of this rate schedule. Such conservation charge shall be determined annually by the Company, separately for the Residential Heating, and Commercial/Industrial rate categories, subject to review and approval by the Commission as provided for in this rate schedule.

18(C)(3) Calculation of Conservation Charge

The Company will properly assign expenses for forecasted conservation expenditures to the applicable rate categories for a future twelve (12) month period commencing November 1 of each year. The total of such conservation expenditures plus any prior period reconciling adjustments shall be divided by therm sales as forecasted by the Company for the same annual period and rounded to the nearest hundredth of a cent. The resulting conservation charge shall be included in the Company's Local Distribution Adjustment Charge and applied to actual therms sold or transported for the following twelve (12) month period starting November 1, and ending October 31.

18(C)(4) Reporting

The Company shall submit annual reports to the Commission reconciling any difference between the actual conservation expenditures and actual revenues collected under this rate schedule. The difference whether positive or negative will be carried forward into the conservation charge for the next recovery period. Upon completion of the conservation program(s), any over or under collection may be credited or charged to the deferred Winter Period cost of gas account, subject to Commission approval.

18(C)(5) Effective Date

On or before the first business day in September of each year, the Company shall file with the NHPUC for its consideration and approval, the Company's request for a change in the CC applicable to each Rate Category during the next subsequent twelve-month period commencing with the calendar month of November.

18(C)(6) Reconciliation Adjustments

Account 175.22 shall contain the cumulative difference between the sum of the DSM expenditures incurred by the Company plus the sum of the DSM repayments and the revenues collected from customers. The Company shall file the reconciliation along with the COG filing on or before the first business day in September of each year.

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I. GENERAL TERMS AND CONDITIONS

18. LOCAL DELIVERY ADJUSTMENT CLAUSE

18(D) Environmental Surcharges ("ES") Allowable for LDAC

18(D)(1) Purpose

In order to recover expenditures associated with former manufactured gas Programs, there shall be an ES Rate applied to all firm volumes billed under the Company's delivery service charges.

18(D)(2) Applicability

An annual ES Rate shall be calculated effective every November 1 for the annual period of November 1 through October 31. The annual ES Rate shall be filed with the Company's peak season Cost of Gas Clause ("COG") filing and be subject to review and approval by the Commission. The annual ES Rate shall be applied to firm sales and to firm delivery throughput as a part of the LDAC. Special contract customers are exempt from the ES.

18(D)(3) Costs Allowable

All approved environmental response costs associated with manufactured gas Programs may be included in the ES Rate

The total annual charge to the Company's ratepayers for environmental response costs during any annual ES recovery period shall not exceed five percent (5%) of the Company's total revenues from firm gas sales and delivery throughput during the preceding twelve (12) month period ending June 30. The total annual charge shall represent the ES expenditures reflected in the calculation of the ES Rate to be in effect for the upcoming twelve-month period, November 1 through October 31. If this recovery limitation results in the Company recovering less than the amount that would otherwise be recovered in a particular ES Recovery Year, then the Company would defer this unrecovered amount, with interest, calculated monthly on the average monthly balance, until the next recovery period in which this amount could be recovered without violating the 5% limitation. The interest rate is to be adjusted each quarter using the prime interest rate as reported by the *Wall Street Journal* on the first date of the month preceding the first month of the quarter.

18(D)(4) Effective Date

On or before the first business day in September of each year, the Company shall file with the NHPUC for its consideration and approval, the Company's request for a change in the ES applicable to all firm sales and firm delivery service throughput for the subsequent twelve-month period commencing with the calendar month of November.

18(D)(5) Definitions

Environmental Response Costs shall include all costs of investigation, testing, remediation, litigation expenses, and other liabilities relating to manufactured gas Program sites, disposal sites, or other sites onto which material may have migrated, as a result of the operating or decommissioning of New Hampshire gas manufacturing facilities. These cost shall include the costs of the closure of the Relief Holder and pond at Gas Street, Concord, NH and pond. The ES shall also include the expenses incurred by the Company in pursuing insurance and third-party claims and any recoveries or other benefits received by the Company as a result of such claims.

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I. GENERAL TERMS AND CONDITIONS

18. LOCAL DELIVERY ADJUSTMENT CLAUSE

18(D)(6) Reconciliation Adjustments

Prior to the Winter Period COG, the Company shall calculate the difference between (a) the revenues derived by multiplying firm sales and delivery throughput by the ES Rate, and (b) the historical amortized costs approved for recoveries in the prior November's Annual ES Recovery Period. Account **175.90** shall contain the cumulative difference and the Company shall file the reconciliation along with its COG filing on or before the first business day in September of each year.

18(D)(7) Calculation of the ES

The ES Rate calculated annually consists of one-seventh of actual response costs incurred by the Company in the twelve-month period ending June 30 of each year until fully amortized (over seven years). Any insurance and third-party recoveries or other benefits for the twelve month period ending June 30 shall be applied to reduce the unamortized balance, shortening the amortization period. The sum of these amounts is then divided by the Company's forecast of total firm sales and delivery throughput for the upcoming twelve months of November 1 through October 31.

18(D)(8) Application of ES to Bills

The annual ES Rate shall be calculated to the nearest one one-hundredth of a cent per therm and shall be applied to the monthly firm gas sales and firm delivery service throughput by being included in the determination of the annual LDAC, and also shall be included in the Distribution Adjustment of the Delivery Charges of each firm customer's bill.

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Nickolas Stravopoulos
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I. GENERAL TERMS AND CONDITIONS

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18(E) Interruptible Transportation Margins Allowable for LDAC

18(E)(1) Purpose

The purpose of this provision is to establish a procedure that allows the Company subject to the jurisdiction of the NHPUC to adjust the Interruptible Transportation Margin Credit ("ITMC") applicable to firm gas sale and firm delivery service throughput in order to return the Interruptible delivery margins allocated to the local delivery function to firm ratepayers.

18(E)(2) Applicability

An Interruptible Transportation Margin Credit ("ITMC") shall be applied to all firm sales and firm delivery service throughput of the Company subject to the jurisdiction of the NHPUC as determined in accordance with the provisions of Section 18(E) of this clause. Such ITMC shall be determined annually by the Company as defined below, subject to review and approval by the NHPUC as provided for in this clause. The ITMC is not applied to the bills of special contract customers.

The application of this provision may, for good cause shown, be modified by the NHPUC. See Section 18(K), "Other Rules."

18(E)(3) Effective Date of Interruptible Transportation Margin

The ITMC shall become effective on November 1 as designated by the Company.

18(E)(4) Interruptible Transportation Margins

The ITMC shall be computed annually based on a forecast of interruptible transportation margins and firm sales and firm delivery service throughput volumes.

18(E)(5) Annual ITM Credit Formula

The annual ITM Credit shall be calculated according to the following formulas:

$$ITMC = \frac{ITM}{A:TP_{vol}} + RF_{ITM}$$

And:

$$RF_{ITM} = \frac{R_{ITM}}{A:TP_{vol}}$$

Where:

A:TP _{vol}	Forecast annual firm sales and firm delivery service throughput.
ITMC	Annual Interruptible Transportation Margin Credit.
ITM	Interruptible Transportation margins.
R _{ITM}	Reconciliation costs - Interruptible Transportation margins, Account 175.42 balance, inclusive of the associated Account 175.42 interest.
RF _{ITM}	Annual Interruptible Transportation margin reconciliation adjustment factor applicable to total firm sales and firm delivery service throughput.

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I. GENERAL TERMS AND CONDITIONS

18. LOCAL DELIVERY ADJUSTMENT CLAUSE

18(E)(6) Reconciliation Adjustments

Account 175.42 shall contain the accumulated difference between annual, Interruptible Transportation margins returned toward the local delivery function, as calculated by multiplying the Interruptible Transportation margin credit ("ITMC") times monthly firm sales and firm delivery service throughput during the year, and the actual margins for the year. See Section 18(E).05 for reconciliation formulas.

18(E)(7) Application of ITMC to Bills

The ITMC (\$ per therm) shall be calculated to the nearest one one-hundredth of a cent per therm and shall be applied to the monthly firm gas sales and firm delivery service throughput by being included in the determination of the annual LDAC, and also shall be included in the Distribution Adjustment of the Delivery Charges of each firm customer's bill.

18(E)(8) Information to be Filed with the NHPUC

Information pertaining to the Interruptible Transportation Margins shall be filed with the NHPUC along with the gas cost information as required pursuant to the LDAC and COGC. Required filings include an annual report providing actual data and resulting updated projection of the end-of-period reconciliation balance, as well as an annual calculation of the ITMC credit, which shall be included in an annual LDAC filing. Also, the annual ITMC reconciliation balances shall be filed along with the other reconciliation balances included in the LDAC.

18(F) Expenses Related to Gas Restructuring

18(F)(1) Purpose

The purpose of this provision is to establish a procedure that allows the Company to adjust its rates on an annual basis for the recovery of NHPUC-approved costs associated with the Gas Restructuring Collaborative (Docket DE 98-124).

18(F)(2) Applicability

The Gas Restructuring Expenses ("GRE") shall be applied to all firm tariffed customers eligible to receive delivery service from the Company as determined in accordance with the provisions of Section 18(F) of this clause. The GRE shall be determined annually by the Company as defined below, subject to review and approval by the NHPUC as provided for in this clause.

18(F)(3) GRE Allowable for LDAC

Costs associated with the Gas Restructuring Collaborative (DE 98-124), including, but not limited to, an annual legal, consulting, customer focus group(s) and survey(s), customer education campaign(s), materials and advertising, subject to review and approval by the NHPUC.

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18. LOCAL DELIVERY ADJUSTMENT CLAUSE

18(F)(4) Effective Date of GRE Charge

On or before the first business day in September of each year, the Company shall file with the NHPUC for its consideration and approval, the Company's request for a change in the GRE applicable to all consumption of tariffed customers eligible to receive delivery service for the subsequent twelve month period commencing with the calendar month of November.

18(F)(5) Definition

Gas Restructuring Initiatives are activities facilitating the development, design and implementation of unbundled services for all customers.

18(F)(6) GRE Factor Formula

$$\text{GREF} = \frac{\text{GRE} + \text{RAGRE}}{\text{A: Tpev}}$$

Where:

A:Tpev Forecast Annual Throughput Volumes of all tariffed customers eligible to receive firm delivery-only service from the Company.
GRE Gas Restructuring Expenses as defined in Section 18(F).05.
RAGRE Gas Restructuring Expense Reconciliation Adjustment - Account 175.85, inclusive of the associated Account 175.85 interest, as outlined in Section 18(F)(7).

18(F)(7) Reconciliation Adjustments

Account 175.85 shall contain the accumulated difference between revenues toward Gas Restructuring Expenses as calculated by multiplying the Gas Restructuring Expense Factor ("GREF") times monthly volumes of customers eligible to receive firm delivery service and Gas Restructuring expenses allowed, plus carrying charges calculated on the average monthly balance using the Wall Street Journal prime lending rate and then added to the end-of-month balance.

18(F)(8) Application of GREF to Bills

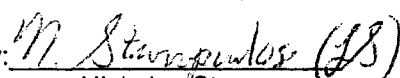
The GREF (\$ per therm) shall be calculated to the nearest one one-hundredth of a cent per therm and shall be applied to the monthly firm gas sales and firm delivery service throughput by being included in the determination of the annual LDAC, and also shall be included in the Distribution Adjustment of the Delivery Charges of each firm customer's bill.

18(F)(9) Information to be Filed with the NHPUC

Information pertaining to the Gas Restructuring Expenses shall be filed with the NHPUC consistent with the filing requirements of all costs and revenue information included in the LDAC. An annual GREF filing shall be required on or before the first business day in September of each year. The GREF filing shall contain the calculation of the new annual GREF to become effective November 1 and shall include the updated annual Gas Restructuring Expense reconciliation balance.

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Issued by: 
Nickolas Stravopoulos
Title: President

I. GENERAL TERMS AND CONDITIONS

18. LOCAL DELIVERY ADJUSTMENT CLAUSE

18(G) Expenses Related to Rate Cases Allowable for LDAC

18(G)(1) Purpose

The purpose of this provision is to establish a procedure that allows the Company to adjust its rate annually for the recovery of NHPUC-approved rate case expenses.

18(G)(2) Applicability

The Rate Case Expenses ("RCE") shall be applied to all firm tariffed customers. The RCE will be determined by the Company, as defined below.

18(G)(3) Rate Case Expenses Allowable for LDAC

The total amount of the RCE will be equal to the amount approved by the Commission.

18(G)(4) Effective Date of Rate Case Expense Charge

The effective date of the RCE will be determined by the NHPUC in an individual rate proceeding.

18(G)(5) Definition

The RCE includes all rate case-related expenses approved by the NHPUC. This includes legal expenses, costs for bill inserts, costs for legal notices, consulting fees processing expenses, and other approved expenses.

18(G)(6) Rate Case Expense (RCE) Factor Formulas

The RCE will be calculated according to the Commission Order issued in an individual proceeding to establish details including the number of years over which the RCE shall be amortized and the allocation of recovery among rate classes. In general, the RCE Factor will be derived by dividing the annual portion of the total RCE, plus the RCE Reconciliation Adjustment, by forecast firm annual throughput.

For Docket DE 00-063, the formulas shall be:

$$RCEF_{RES} = \frac{(RCE + RARCE) / 2}{A:Vol_{RES} + A:Vol_{C\&I}}$$

$$RCEF_{C\&I} = \frac{RCEF_{RES} + (RCE + RARCE) / 2}{A:Vol_{C\&I}}$$

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Dennis Carroll
Title: Vice President and Controller

I. GENERAL TERMS AND CONDITIONS

18. LOCAL DELIVERY ADJUSTMENT CLAUSE

Where:

RCEF _{RES}	Rate Case Expense Factor for all tariffed residential customers.
RCEF _{C&I}	Rate Case Expense Factor for all tariffed commercial and industrial customers.
A:Vol _{RES}	Forecast Annual Throughput Volumes for all tariffed residential customers.
A:Vol _{C&I}	Forecast Annual Throughput Volumes for all tariffed commercial and industrial customers.
RCE	Rate Case Expense, as defined in Section 18(G)(5).
RA _{RCE}	Rate Case Expense Reconciliation Adjustment – Account 175.65, inclusive of the associated Account 175.65 interest, as stated in Section 18(G)(7).

18(G)(7) Reconciliation Adjustments

Account 175.65 shall contain the accumulated difference between revenues toward Rate Case Expense as calculated by multiplying the Rate Case Expense Factor ("RCEF") times the appropriate month volumes and Rate Case Expense allowed, plus carrying charges added to the end-of-month balance. The carrying charges shall be calculated beginning on the first month of the recovery period by applying the *Wall Street Journal* prime lending rate to the average monthly balance.

At the end of the recovery period, any under or over recovery will be included in an active LDAC component as approved by the Commission.

18(G)(8) Application of RCE to Bills

The RCE (\$ per therm) shall be calculated to the nearest one one-hundredth of a cent per therm and shall be applied to the monthly firm gas sales and firm delivery service throughput by being included in the determination of the annual LDAC, and also shall be included in the Distribution Adjustment of the Delivery Charges of each firm customer's bill.

18(G)(9) Information to be Filed with the NHPUC

Information pertaining to the RCE will be filed with the NHPUC consistent with the filing requirements of a cost and revenue information included in the LDAC. The RCE filing will contain the calculation of the new RCE and will include the updated RCE reconciliation balance.

18(H) Effective Date of Local Delivery Adjustment Clause

The LDAC shall be filed annually and become effective on November 1 of each year pursuant to NHPUC approval. In order to minimize the magnitude of future reconciliation adjustments, the Company may request interim revisions to the LDAC rates, subject to review and approval of the NHPUC.

18(I) Local Delivery Adjustment Clause Formulas

The LDAC shall be calculated on an annual basis, by customer, by summing up the various factors included in the LDAC, where applicable.

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Dennis Carroll
Title: Vice President and Controller

I. GENERAL TERMS AND CONDITIONS

18. LOCAL DELIVERY ADJUSTMENT CLAUSE

LDAC Formula

$$LDAC^X = CC^X + ES - ITMC + GREF^X + RCE^X$$

And:

$$ES^X = RHS + MGP$$

Where:

LDAC ^X	Annualized class specific Local Delivery Adjustment Charge.
CC ^X	Annualized class specific CC or EE Charge.
ITMC	Annualized Interruptible Transportation Margin Credit.
ES	Total firm annualized ES.
RHS	Annualized charge to recover the costs of the closure of the Relief Holder at Gas Street, Concord, NH
MGP	Annualized charge to cover the remediation costs related to former manufactured gas plants.
GREF ^X	Total firm annualized class specific Gas Restructuring Expense Factor.
RCE ^X	Class specific Rate Case Expense Factor.

18(J) Application of LDAC to Bills

The component costs comprising the LDAC (\$ per therm) shall be calculated to the nearest one one hundredth of a cent per therm and shall be applied to the monthly firm sales and firm delivery service throughput in accordance with the table shown in Section 18(B).

18(K) Other Rules

- (1) The NHPUC may, where appropriate, on petition or on its own motion, grant an exception from the provisions of these regulations, upon such terms that it may determine to be in the public interest.
- (2) Such amendments may include the addition or deletion of component cost categories subject to the review and approval of the NHPUC.
- (3) The Company may implement an amended LDAC with the NHPUC approval at any time.
- (4) The NHPUC may, at any time, require the Company to file an amended LDAC.
- (5) The operation of the LDAC is subject to all powers of suspension and investigation vested in the NHPUC.

18(L) Amendments To Uniform System Of Accounts

175.42 Interruptible Transportation Margin Reconciliation Adjustment for LDAC

This account shall be used to record the cumulative difference between annual Interruptible Transportation margin returns and annual Interruptible Transportation margins. Entries to this account shall be determined as outlined in the Local Delivery Adjustment Clause, 18(E).

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Dennis Carroll
Title: Vice President and Controller

I. GENERAL TERMS AND CONDITIONS

18. LOCAL DELIVERY ADJUSTMENT CLAUSE

175.85 Gas Restructuring Expense Reconciliation Adjustment

This account shall be used to record the cumulative difference between the recovery and actual amounts third party incremental expenses associated with the Company's Gas Restructuring initiatives. Entries to this account shall be determined as outlined in the Local Delivery Adjustment Clause, 18(F).

175.22 Demand-Side Management and/or Energy Efficiency Reconciliation Adjustment

This account shall be used to record the cumulative difference between the sum of DSM and/or EE Expenditures incurred by the Company plus the sum of DSM and/or EE Repayments and the revenue collected from customers pursuant to this clause with respect to a given Rate Category. Entries to this account shall be determined as outlined in the Local Delivery Adjustment Clause, 18(C).

175.90 Environmental Response Costs Reconciliation Adjustment

This account shall be used to record the cumulative difference between the revenues toward environmental response costs as calculated by multiplying the ES times monthly firm sales volumes and delivery service throughput and environmental response costs allowable per formula. Entries to this account shall be determined as outlined in the Local Delivery Adjustment Clause, 18(D).

175.65 Rate Case Expense Reconciliation Adjustment

This account shall be used to record the cumulative difference between the recovery and actual amounts third-party incremental expenses associated with the Company's Rate Case initiatives. Entries to this account shall be determined as outlined in the Local Distribution Adjustment Clause, 18(G).

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Dennis Carroll
Title: Vice President and Controller

I. GENERAL TERMS AND CONDITIONS

19. - SUPPLY & CAPACITY SHORTAGE ALLOCATION POLICY

DEFINITIONS

The following are definitions of terms used in this subsection and applicable only to this subsection

- 1) Residential: Service to customers which consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses
- 2) Commercial: Service to customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation
- 3) Industrial: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power
- 4) Large Volume: Service to large commercial and industrial customers with an annual gas load greater than 200,000 therms
- 5) Seasonal: Service available from April 1 to October 31 to all customers using gas to replace some other fuel or gas for air conditioning purposes
- 6) Firm Sales Service: Service from schedules or contracts under which seller is expressly obligated to supply and deliver specific volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruption in case the supply to higher priority customers is threatened
- 7) 280 Day Sales Service: Service to commercial and industrial customers whose normal requirements are at least 5,000 therms per month with alternate fuel capabilities to discontinue gas service for a minimum of 3 days per year
- 8) Standby Sales Service: Service available to commercial and industrial customers with a minimum of MMBtu per hour connected load who have alternate fuel burning capability who require the Company to maintain facilities and supply availability to provide natural gas service upon 24 hour notice
- 9) Interruptible Sales Service: Service from schedules or contracts under which seller is not expressly obligated to deliver specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under schedules or contracts which expressly or impliedly require installation of alternate fuel capability
- 10) Firm Transportation Service: Service from schedules or contracts under which seller is expressly obligated to deliver specific third-party volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruption in case the supply to higher priority customers is threatened
- 11) 280 Day Transportation Service: Service from schedules or contracts under which seller is expressly obligated to transport volumes for the 280 day period which anticipates no interruptions, and with discontinuance for a minimum of thirty (30) days per year, and is not expressly obligated to transport specific volumes for the remaining fifty-five (55) days, and which anticipates and permits interruption on short notice, or service under schedules or contracts which expressly or impliedly require installation of alternate fuel capability.

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Dennis Carroll
Title: Vice President and Controller

I. GENERAL TERMS AND CONDITIONS

19 - SUPPLY & CAPACITY SHORTAGE ALLOCATION POLICY (Cont'd)

DEFINITIONS (Cont'd)

The following are definitions of terms used in this subsection and applicable only to this subsection

- 12) Interruptible Transportation Service: Service from schedules or contracts under which seller is not expressly obligated to transport specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under schedules or contracts which expressly or impliedly require installation of alternate fuel capability.
- 13) Plant Protection Gas: Is defined as minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel, when such protection cannot be afforded through the use of alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production. For the purpose of this definition, propane and other gaseous fuels shall not be considered alternate fuels
- 14) Feedstock Gas: Is defined as natural gas used as a raw material for its chemical properties in creating an end product
- 15) Process Gas: Is defined as gas use for which alternate fuels are not technically feasible such as in applications requiring precise temperature controls and precise flame characteristics. For the purpose of this definition, propane and other gaseous fuels shall not be considered alternate fuels
- 16) Boiler Fuel: Is considered to be natural gas used as a fuel for the generation of steam or electricity including the utilization of gas turbines for the generation of electricity
- 17) Alternate Fuel Capabilities: Is defined as a situation where an alternate fuel could have been utilized whether or not the facilities for such use have actually been installed, provided however, where the use of natural gas is for plant protection, feedstock or process uses and the only alternate fuel is propane or other gaseous fuel, then the consumer will be treated as if he had no alternate fuel capability
- 18) Firm Standby Gas Supply: Supply available to provide natural gas service upon twenty-four (24) hour notice to the Company for those customers with an alternate fuel supply.

POLICY

In the event that, due to gas supply restrictions or capacity constraints, the Company is unable to deliver the total requirements of its firm, sales or transportation rate customers, the available volumes of gas will be allocated to the Company's firm rate customers in accordance with the provisions of this policy. Curtailment of gas deliveries to the Company's firm rate customers will not be made until all deliveries to the Company's interruptible rate customers are discontinued. In the event that the Company, during a curtailment or interruption, requires emergency gas, and takes the gas of the customer, customer shall be compensated for such emergency gas at the customer's alternate cost of fuel as demonstrated to the reasonable satisfaction of the Company.

As curtailment becomes necessary through each succeeding category, the Company will implement full or partial curtailment of a customer, or by groups of customers, taking into consideration customer load characteristics, the Company's delivery system design and Company load characteristics in a manner which is believed to be in the best interests of customers in general.

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Dennis Carroll
Title: Vice President and Controller

I. GENERAL TERMS AND CONDITIONS

19 - SUPPLY & CAPACITY SHORTAGE ALLOCATION POLICY (Cont'd)

PRIORITIES

Firm rate customers shall be serviced according to the following preference categories with the first and each succeeding category having preference over the succeeding categories

- 1) Company use for fuel and lost and unaccounted for
- 2) Firm sales or transportation service for high priority residential uses including apartment building and other multi-unit buildings, small commercial establishments using less than 50 DT on a peak day, schools, hospitals, police protection, fire protection, sanitation facilities and correction facilities
- 3) Firm sales or transportation service for essential agricultural uses, as defined by the Secretary of Agriculture, for full food and natural fiber production, process and feedstock use for fertilizer and agricultural chemicals, process and feedstock for animal feeds and food, food quality maintenance, food packaging, marketing and distribution for food related products and on farm uses
- 4) Firm sales or transportation service for large commercial requirements (50 DT or more on a peak day), firm industrial requirements for plant protection, feedstock and process needs and firm industrial sales up to 300 DT per day
- 5) Firm sales or transportation service for all industrial requirements not specified in (2), (3), (4), (5) (6) (7), (10) or (11), including the firm period of 280 Day sales or transportation
- 6) Firm sales or transportation service including the firm period of 280 Day sales or transportation and transportation for industrial requirements for boiler fuel use at less than 1,500 DT per day, but more than 300 DT per day, where alternate fuel capabilities can meet such requirements
- 7) Firm sales or transportation service including the firm period of 280 Day sales or transportation and transportation for industrial requirements for large volume (1,500 DT or more per day) boiler fuel use where alternate fuel capabilities can meet such requirements
- 8) Interruptible sales or transportation service and the non-firm period of 280 Day sales and transportation.

STORAGE INJECTION

Within each category, storage injection required to meet the needs of higher priorities may be given preference over all other uses within that category.

PENALTY

For all unauthorized volumes of gas taken by a customer, the customer shall pay the Company a penalty of \$1.5 per therm for each therm taken. Such penalty shall be added to the regular rates in effect. The Company shall have the right, without obligation, to waive any penalty for unauthorized use of gas, if on the day when the penalty was incurred deliveries to other of the Company's customers were not adversely affected. Continued unauthorized use, at the sole discretion of the Company, may result in termination of service.

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Issued by: _____

Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

**Residential Non Heating Rate
Classification No. R-1**

Availability

This rate is available to all residential customers who do not have gas space heating equipment. Available for use which is separately metered and billed for each dwelling unit. Availability is limited to use in locations served by the Company's mains and for which the Company's facilities are adequate.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$0.2303 per day	or \$6.91	per 30 day month
Winter Period			
First 10* therms per 30 day month at		\$0.2678	per therm
All over 10 therms per 30 day month at		\$0.2364	per therm
Summer Period			
First 10* therms per 30 day month at		\$0.2678	per therm
All over 10 therms per 30 day month at		\$0.2364	per therm

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Cost of Gas Charge

All gas delivered under this rate is subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

Terms and Conditions

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimated bill will be rendered to the customer.

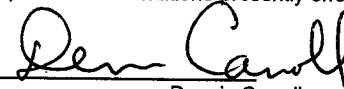
Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective, or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: June 7, 2002

Issued by:



Dennis Carroll

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Title:

Vice President and Controller

Issued in Compliance with NHPUC Order No. 23,987 dated June 7, 2002 in Docket DG 02-099

II. RATE SCHEDULES

**Residential Heating Rate
Classification No. R-3**

Availability

This rate is for all residential use for those domestic customers who use gas as the principal household heating fuel. Availability is limited to use in domestic locations which are separately metered and billed and which are served by the Company's mains and for which the Company's facilities are adequate.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$0.3293 per day	or \$9.88	per 30 day month
Winter Period			
First 100 * therms per 30 day month at		\$.2945	per therm
All over 100 therms per 30 day month at		\$0.1711	per therm
Summer Period			
First 20 * therms per 30 day month at		\$.2945	per therm
All over 20 therms per 30 day month at		\$0.1711	per therm

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Cost of Gas Charge

All gas delivered under this rate is subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

Terms and Conditions

Eligibility shall be determined based on the reasonable discretion of the Company subject to verification of heating usage.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimated bill will be rendered to the customer.

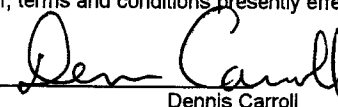
Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective, or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: June 7, 2002

Issued by:


Dennis Carroll

Effective: July 1, 2002

Title:

Vice President and Controller

Issued in Compliance with NHPUC Order No. 23,987 dated June 7, 2002 in Docket DG 02-099

II. RATE SCHEDULES

**Commercial/Industrial Service
Low Annual Use, High Winter Use
Rate Classification G-41**

Availability

This rate is available for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage less than or equal to 10,000 therms and a Winter Period usage greater than or equal to 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$0.8213 per day	or \$24.64	per 30 day month
Winter Period			
First 100 * therms per 30 day month at		\$0.3275	Per therm
All over 100 therms per 30 day month at		\$0.2130	Per therm
Summer Period			
First 20 * therms per 30 day month at		\$0.3275	Per therm
All over 20 therms per 30 day month at		\$0.2130	Per therm

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service


The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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II. RATE SCHEDULES

**Commercial/Industrial Service
Low Annual Use, High Winter Use
Rate Classification G-41
(Continued)**

Terms and Conditions

U.S. Department of Labor Standard Industry Classification Codes will determine eligibility for this tariff.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimate bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective or as filed from time to time, with the New Hampshire Public Utilities Commission.

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Title: Dennis Carroll
Vice President and Controller

II. RATE SCHEDULES

**Commercial/Industrial Service
Medium Annual Use, High Winter Use
Rate Classification G-42**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 10,000 therms and less than or equal to 100,000 therms and a Winter Period usage greater than or equal to 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a heat content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$2.3120 per day	or \$69.36	per 30 day month
Winter Period			
First 1000 * therms per 30 day month at		\$0.2716	per therm
All over 1000 therms per 30 day month at		\$0.1794	per therm
Summer Period			
First 400 * therms per 30 day month at		\$0.2716	per therm
All over 400 therms per 30 day month at		\$0.1794	per therm

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

Issued: June 7, 2002

Effective: July 1, 2002

Issued by: 

Title: Vice President and Controller

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II. RATE SCHEDULES

**Commercial/Industrial Service
Medium Annual Use, High Winter Use
Rate Classification G-42
(Continued)**

Terms and Conditions

Dual fuel customers may be required to sign annual contracts with minimum usage requirements in order to qualify for service under this tariff. U.S. Department of Labor Standard Industry Classification Codes will determine eligibility for this tariff.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimated bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: August 28, 2001
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Issued by: _____
Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, High Winter Use
Rate Classification G-43**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 100,000 therms and a Winter Period usage greater than or equal to 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet. Should the customer's consumption fail to meet the availability requirements for this rate, the customer's service will be transferred to the otherwise applicable tariff as described under the terms and conditions of this tariff.

Delivery Charge

Customer Charge Per Meter	\$9.9797 per day	or \$299.39 per 30 day month
Winter Period		
All therms per 30 day month at		\$0.1591 per therm
Summer Period		
All therms per 30 day month at		\$0.0728 per therm

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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Dennis Carroll

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II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, High Winter Use
Rate Classification G-43
(Continued)**

Terms and Conditions

To be eligible for this service, a customer must sign a contract for a one year period, which contract shall include the authority for the Company to monitor the customer's continued qualification for this service. In the event that the customer fails to meet the eligibility criteria set forth in the availability section of this schedule based on a monthly evaluation employing the most recent twelve (12) month period, the Company may require that the customer be billed prospectively under an alternative rate subject to the terms of the customer's Service Agreement. The Service Agreement may contain limitations as to maximum hourly, daily, or monthly consumption, provisions for charges for excess usage, and other terms and conditions of service.

The customer shall declare maximum seasonal demands and estimated seasonal volumes at the time application for service is made. These declarations shall be updated annually, by August 1.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimate bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective or as filed from time to time, with the New Hampshire Public Utilities Commission.

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Title: Vice President and Controller

II. RATE SCHEDULES

**Commercial/Industrial Service
Low Annual Use, Low Winter Use
Rate Classification G-51**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage less than or equal to 10,000 therms and a Winter Period usage less than 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$0.8270 per day	or \$24.81	per 30 day month
Winter Period			
First 100 * therms per 30 day month at		\$0.2525	per therm
All over 100 therms per 30 day month at		\$0.1631	per therm
Summer Period			
First 100 * therms per 30 day month at		\$0.2525	per therm
All over 100 therms per 30 day month at		\$0.1631	per therm

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service


The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is made in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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II. RATE SCHEDULES

**Commercial/Industrial Service
Low Annual Use, Low Winter Use
Rate Classification G-51
(Continued)**

Terms and Conditions

Eligibility shall be based on the reasonable discretion of the Company and subject to verification of heating usage. U.S. Department of Labor Standard Industry Classification Code will determine eligibility for this tariff. Dual fuel customers may be required to sign annual contracts with minimum usage requirements in order to qualify for service under this tariff.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimate bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective or as filed from time to time, with the New Hampshire Public Utilities Commission.

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II. RATE SCHEDULES

**Commercial/Industrial Service
Medium Annual Use, Low Winter Use
Rate Classification G-52**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 10,000 therms and less than or equal to 100,000 therms and a Winter Period usage less than 67% of annual usage as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a thermal content of nominally one (1) therm in each one hundred (100) cubic feet. Should the customer's consumption fail to meet the availability requirements for this rate, the customer's service will be transferred to the otherwise applicable tariff as described under the terms and conditions of this tariff.

Delivery Charge

Customer Charge Per Meter	\$2.3097 per day	or \$69.29	per 30 day month
Winter Period			
First 1000 * therms per 30 day month at		\$0.1734	per therm
All over 1000 therms per 30 day month at		\$0.1177	per therm
Summer Period			
First 1000 * therms per 30 day month at		\$0.1275	per therm
All over 1000 therms per 30 day month at		\$0.0734	per therm

* The number of therms billed in the first block will be calculated by multiplying the therms in the first block of the rate by a fraction the numerator of which is the number of days in the billing period and the denominator of which is 30.

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service


The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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II. RATE SCHEDULES

**Commercial/Industrial Service
Medium Annual Use, Low Winter Use
Rate Classification G-52
(Continued)**

Terms and Conditions

To be eligible for this service, a customer must sign a contract for a one year period, which contract shall include the authority for the Company to monitor the customer's continued qualification for this service. In the event that the customer fails to meet the eligibility criteria set forth in the availability section of this schedule based on a monthly evaluation employing the most recent twelve (12) month period, the Company may require that the customer be billed prospectively under an alternative rate subject to the terms of the customer's Service Agreement. The Service Agreement may contain limitations as to maximum hourly, daily, or monthly consumption, provisions for charges for excess usage, and other terms and conditions of service.

The customer shall declare maximum seasonal demands and estimated seasonal volumes at the time application for service is made. These declarations shall be updated annually, by August 1.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimate bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective or as filed from time to time, with the New Hampshire Public Utilities Commission.

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Title: Vice President and Controller

II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, Load Factor Less Than 90%
Rate Classification G-53**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 100,000 therms, a Winter Period usage less than 67% of annual usage, and a 12 month average usage less than 90% of the average usage of December, January and February as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a heat content value of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$300.00	per month
Winter Period		
All therms per month at	\$0.1074	per therm
Summer Period		
All therms per month at	\$0.0514	per therm

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, Load Factor Less Than 90%
Rate Classification G-53
(Continued)**

Terms and Conditions

To be eligible for this service, a customer must sign a contract for a one year period, which contract shall include the authority for the Company to monitor the customer's continued qualification for this service. In the event that the customer fails to meet the eligibility criteria set forth in the availability section of this schedule based on a monthly evaluation employing the most recent twelve (12) month period, the Company may require that the customer be billed prospectively under an alternative rate, subject to the terms of the customer's Service Agreement. The Service Agreement may contain limitations as to maximum hourly, daily, or monthly consumption, provisions for charges for excess usage, and other terms and conditions of service.

The customer shall declare maximum seasonal demands and estimated seasonal volumes at the time application for service is made. These declarations shall be updated annually, by August 1.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimated bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: August 28, 2001

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Issued by: _____

Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, Load Factor Less Than 110%
Rate Classification G-54**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 100,000 therms, a Winter Period usage less than 67% of annual usage, and a 12 month average usage less than 110% of the average usage of December, January and February as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a heat content value of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$300.00	per month
Winter Period		
All therms per month at	\$0.0799	per therm
Summer Period		
All therms per month at	\$0.0410	per therm

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above are exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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Issued by: _____
Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, Load Factor Less Than 110%
Rate Classification G-54
(Continued)**

Terms and Conditions

To be eligible for this service, a customer must sign a contract for a one year period, which contract shall include the authority for the Company to monitor the customer's continued qualification for this service. In the event that the customer fails to meet the eligibility criteria set forth in the availability section of this schedule based on a monthly evaluation employing the most recent twelve (12) month period, the Company may require that the customer be billed prospectively under an alternative rate subject to the terms of the customer's Service Agreement. The Service Agreement may contain limitations as to maximum hourly, daily, or monthly consumption, provisions for charges for excess usage, and other terms and conditions of service.

The customer shall declare maximum seasonal demands and estimated seasonal volumes at the time application for service is made. These declarations shall be updated annually, by August 1.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimated bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: August 28, 2001

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Issued by: _____
Dennis Carroll
Title: Vice President and Controller

**Commercial/Industrial Service
High Annual Use, Load Factor Greater Than 110%
Rate Classification G-63**

Availability

This rate is for commercial, industrial and public authority customers in locations served by the Company's mains and for which the Company's facilities are adequate. A customer receiving service under this rate must have annual usage greater than 100,000 therms, a Winter Period usage less than 67% of annual usage, and a 12 month average usage greater than or equal to 110% of the average usage of December, January and February as determined by the Company's records and procedures.

Character of Service

Natural gas or equivalent will be supplied at a heat content value of nominally one (1) therm in each one hundred (100) cubic feet.

Delivery Charge

Customer Charge Per Meter	\$300.00 per month
Winter Period	
All therms per month at	\$0.0345 per therm
Summer Period	
All therms per month at	\$0.0188 per therm

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Supplier Charges

If the customer purchases its gas from a third party, supplier charges will be as agreed upon between the customer and the third party supplier and will be billed directly by the third party supplier. If the customer does not purchase its gas from a third party, the gas supplied by the Company will be subject to a per therm cost of gas rate. The cost of gas rate is not included in the delivery charge presented above. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and cost of gas rates.

Other Charges for Delivery Service

The customer must also pay such charges and adjustments as are set forth in the Company's Local Distribution Adjustment Clause (LDAC), as in effect from time to time and on file with the New Hampshire Public Utilities Commission (NHPUC). The delivery charge presented above is exclusive of these charges. Refer to Page 73 of this Tariff for firm rate schedules which present both the delivery charge and the LDAC rates.

Meter Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a meter location, a meter account charge is incurred in addition to all other charges. The meter account charge is \$20.00 when the visit to the meter location is scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

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Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

**Commercial/Industrial Service
High Annual Use, Load Factor Greater Than 110%
Rate Classification G-63
(Continued)**

Terms and Conditions

To be eligible for this service, a customer must sign a contract for a one year period, which contract shall include the authority for the Company to monitor the customer's continued qualification for this service. In the event that the customer fails to meet the eligibility criteria set forth in the availability section of this schedule based on a monthly evaluation employing the most recent twelve (12) month period, the Company may require that the customer be billed prospectively under an alternative rate subject to the terms of the customer's Service Agreement. The Service Agreement may contain limitations as to maximum hourly, daily, or monthly consumption, provisions for charges for excess usage, and other terms and conditions of service.

The customer shall declare maximum seasonal demands and estimated seasonal volumes at the time application for service is made. These declarations shall be updated annually, by August 1.

Meters are read and bills are presented monthly. In the event a meter reader is unable to obtain a meter reading, an estimate bill will be rendered to the customer.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for all charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective or as filed from time to time, with the New Hampshire Public Utilities Commission.

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Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

OUTDOOR GAS LIGHTING

Availability

This rate is available for residential outdoor gas lighting where such service is provided from the Company's existing delivery system to a standard gas light fixture or fixtures, located on the customer's premises, and when it is feasible to meter such service along with other gas used on the premises and bill the same under the rate in effect for all other services.

Rate Per Light Per Month \$10.50

The above rates shall be adjusted to reflect the recovery of all applicable taxes.

Account Charge

When the Company establishes or re-establishes a gas service account for a customer at a location, an account charge is incurred in addition to all other charges. The account charge is \$20.00 when the visit to the location scheduled at the mutual convenience of the Company and the customer. Otherwise, the charge is \$30.00.

Terms and Conditions

Meters are read and bills are presented monthly.

Amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

A customer must give at least four (4) days notice before discontinuance of service and is responsible for charges through the end of the notice period.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective, or as filed from time to time, with the New Hampshire Public Utilities Commission.

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Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

STANDBY SERVICE

Availability

This service is available to commercial and industrial sales customers with a minimum of 5 MMBtu per hour connected load who have alternative fuel burning capability and who require that the Company maintain facilities and supply availability to provide natural gas service upon twenty-four (24) hour notice to the Company, and who have had a load factor of less than 15% determined by dividing the customer's consumption during the prior twelve (12) months by connected load times twenty-four (24) hours x 365 days and multiplying the result by 100%.

Character of Service

Standby service is for customers with alternative fuel supply availability who require the Company to supply natural gas on short notice. The charge hereunder is for the purpose of defraying the fixed costs associated with maintaining readiness to serve, including, but not limited to, the capital cost and cost of maintaining service regulators, as well as the cost of system capacity, supplier demand charges and other supply capability on a continuous basis.

Rate

<u>Customer Charge Per Month</u>	<u>Winter \$ Per Therm</u>	<u>Summer \$ Per Therm</u>	<u>Demand per MMBtu/hr. MMBtu/hr. Connected Load</u>
\$40.00	\$0.5912	\$0.4512	\$150.00

In any month during which consumption exceeds connected load times twenty-four (24) hours x five (5) days the charge for service will be made under the customer's otherwise applicable tariff. The applicable Standby charge shall be the minimum bill in those months when gas flows. Standby service may be taken in conjunction with seasonal service. The seasonal service gas will be separately metered and the seasonal service meter will be locked during the non-seasonal service months unless a standby contract has been signed. This rate is not subject to the cost of gas rate. This rate is not available in conjunction with 280 day service.

The above rates shall be adjusted to reflect the recovery of all applicable taxes.

The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Terms and Conditions

To be eligible for standby service, a customer must sign a contract for a minimum of the five (5) winter months from November through April. Bills will be presented at the first of each month. Amounts not paid prior to the due date, normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one-half percent (1½%) per month on the unpaid balance - equivalent to an eighteen percent (18%) annual rate. There is a \$5.00 charge for each bad check tendered for payment.

Issued: August 28, 2001

Effective: November 1, 2001

Issued by: _____

Title: Dennis Carroll
Vice President and Controller

II. RATE SCHEDULES

STANDBY SERVICE (Cont'd)

The payment of this Standby Service charge shall cause the Company to maintain a connection with the customer including metering and regulator facilities. The Company will use reasonable efforts to arrange with suppliers for sufficient gas reserves so that the customer can resume service upon twenty-four (24) hour notice to the Company. The Company may waive full twenty-four (24) hour notice solely at its option where circumstances warrant. In the event that a seasonal customer has not been paying standby charges and requires firm service during the winter months, such seasonal customer must make application for firm service in accordance with the rules and regulations in this tariff on file with the NHPUC including, but not limited to, the requirement to pay a meter charge under the applicable rate schedule of this tariff. Company engineers shall be afforded the opportunity by the customer to inspect the facilities to properly ascertain the gas-using capacity on the customer's premises.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: August 28, 2001

Effective: November 1, 2001

Issued by: _____

Dennis Carroll
Title: Vice President and Controller

**NHPUC NO. 5- GAS
KEYPSAN ENERGY DELIVERY NEW ENGLAND**

**Twenty-Eighth Revised Page 7
Superseding Twenty-Seventh Page 7**

**II RATE SCHEDULES
FIRM RATE SCHEDULES**

	Winter Period				Summer Period			
	Delivery Charge	Cost of Gas Rate Page 84	LDAC Page 91	Total Rate	Delivery Charge	Cost of Gas Rate Page 84	LDAC Page 91	Total Rate
<u>Residential Non Heating - R-1</u>								
Customer Charge per Month per Meter	\$6.91			\$6.91	\$6.91			\$6.91
Size of the first block	10 therms				10 therms			
Therms in the first block per month at	\$0.2678	\$0.8100	\$0.0208	\$1.0986	\$0.2678	\$0.8195	\$0.0208	\$1.1081
All therms over the first block per month at	\$0.2364	\$0.8100	\$0.0208	\$1.0672	\$0.2364	\$0.8195	\$0.0208	\$1.0767
<u>Residential Heating - R-3</u>								
Customer Charge per Month per Meter	\$9.88			\$9.88	\$9.88			\$9.88
Size of the first block	100 therms				20 therms			
Therms in the first block per month at	\$0.2945	\$0.8100	\$0.0213	\$1.1258	\$0.2945	\$0.8195	\$0.0213	\$1.1353
All therms over the first block per month at	\$0.1711	\$0.8100	\$0.0213	\$1.0024	\$0.1711	\$0.8195	\$0.0213	\$1.0119
<u>Commercial/Industrial - G-41</u>								
Customer Charge per Month per Meter	\$24.64			\$24.64	\$24.64			\$24.64
Size of the first block	100 therms				20 therms			
Therms in the first block per month at	\$0.3275	\$0.8253	\$0.0178	\$1.1706	\$0.3275	\$0.8345	\$0.0178	\$1.1798
All therms over the first block per month at	\$0.2130	\$0.8253	\$0.0178	\$1.0561	\$0.2130	\$0.8345	\$0.0178	\$1.0653
<u>Commercial/Industrial - G-42</u>								
Customer Charge per Month per Meter	\$69.36			\$69.36	\$69.36			\$69.36
Size of the first block	1000 therms				400 therms			
Therms in the first block per month at	\$0.2716	\$0.8253	\$0.0178	\$1.1147	\$0.2716	\$0.8345	\$0.0178	\$1.1239
All therms over the first block per month at	\$0.1794	\$0.8253	\$0.0178	\$1.0225	\$0.1794	\$0.8345	\$0.0178	\$1.0317
<u>Commercial/Industrial - G-43</u>								
Customer Charge per Month per Meter	\$299.39			\$299.39	\$299.39			\$299.39
All therms over the first block per month at	\$0.1591	\$0.8253	\$0.0178	\$1.0022	\$0.0728	\$0.8345	\$0.0178	\$0.9251
<u>Commercial/Industrial - G-51</u>								
Customer Charge per Month per Meter	\$24.81			\$24.81	\$24.81			\$24.81
Size of the first block	100 therms				100 therms			
Therms in the first block per month at	\$0.2525	\$0.7215	\$0.0178	\$0.9918	\$0.2525	\$0.7986	\$0.0178	\$1.0689
All therms over the first block per month at	\$0.1631	\$0.7215	\$0.0178	\$0.9024	\$0.1631	\$0.7986	\$0.0178	\$0.9795
<u>Commercial/Industrial - G-52</u>								
Customer Charge per Month per Meter	\$69.29			\$69.29	\$69.29			\$69.29
Size of the first block	1000 therms				1000 therms			
Therms in the first block per month at	\$0.1734	\$0.7215	\$0.0178	\$0.9127	\$0.1275	\$0.7986	\$0.0178	\$0.9439
All therms over the first block per month at	\$0.1177	\$0.7215	\$0.0178	\$0.8570	\$0.0734	\$0.7986	\$0.0178	\$0.8898
<u>Commercial/Industrial - G-53</u>								
Customer Charge per Month per Meter	\$300.00			\$300.00	\$300.00			\$300.00
All therms over the first block per month at	\$0.1074	\$0.7215	\$0.0178	\$0.8467	\$0.0514	\$0.7986	\$0.0178	\$0.8678
<u>Commercial/Industrial - G-54</u>								
Customer Charge per Month per Meter	\$300.00			\$300.00	\$300.00			\$300.00
All therms over the first block per month at	\$0.0799	\$0.7215	\$0.0178	\$0.8192	\$0.0410	\$0.7986	\$0.0178	\$0.8574
<u>Commercial/Industrial - G-63</u>								
Customer Charge per Month per Meter	\$300.00			\$300.00	\$300.00			\$300.00
All therms over the first block per month at	\$0.0345	\$0.7215	\$0.0178	\$0.7738	\$0.0188	\$0.7986	\$0.0178	\$0.8352

Issued: June 23, 2004
Effective: July 1, 2004

Issued By: N. Stavropoulos
Nickolas Stavropoulos
Title: President

II. RATE SCHEDULES

FIRM RATE SCHEDULES (Cont'd)

Outdoor Gas Lighting

Per Light Per Month	\$10.50
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Standby Service

Customer Charge Per Month

\$40.00

Winter \$ Per Therm

\$0.5912

Summer \$ Per Therm

\$0.4512

Demand per MMBtu/hr
Connected Load

\$150.00

Issued: August 28, 2001

Effective: November 1, 2001

Issued by: _____

Title: Dennis Carroll
Vice President and Controller

II. RATE SCHEDULES

280 DAY SALES SERVICE

Availability

This service is applicable to commercial and industrial customers whose normal requirements are at least 5,000 therms per month provided that the Company has adequate delivery facilities and has an adequate supply of natural gas to meet the customer's requirements at that location. This rate is available only where the customer maintain alternate fuel capability.

Character of Service

Natural gas or equivalent will be supplied at a heat content value of nominally one (1) therm in each one hundred (100) cubic feet. Service is firm for a minimum of 280 days per year.

Rate

Customer Charge: \$200.00 per month

This charge shall cover access to data from a remote meter reading system installed by the Company.

Commodity Charge:

This rate applicable to a customer's purchases in a given month shall be the oil parity rate as determined below.

Based on 1,000 Btu's per cubic foot and 100,000 Btu's per therm, the price to be paid for all gas consumed by customer each month in which 280 Day Non Peak Firm Service is available will be a direct function of the customer's alternate fuel posted price as listed in the Platts Oilgram Report on Petroleum Prices. The posted price shall be the lowest quoted price at the Boston Terminal in tanker lots for #2 oil, #4 oil (1% sulfur), #6 oil (1% sulfur) and #6 oil (2-2.5% sulfur). The posted price of a customer's alternate fuel used in the 280 Day Service pricing formula will be determined on a monthly basis using an average of the daily posted prices for the four Friday preceding the date upon which the Company must submit its nominations to Tennessee Gas Pipeline Company (Tennessee).

The percentages of posted price of oil to be used in computing 280 Day Non Peak Firm gas prices will be determined by the Company monthly. The percentage of the posted price of each alternate fuel may vary for those customers with the capacity to use more than 25,000 therms per month. The Company will report the percentage for various alternate fuel prices to the Public Utilities Commission at the beginning of each month. If the Commission questions the reasonableness of any such percentage determinations made by the Company, it may investigate the matter and, if necessary and appropriate, make such orders as are just and reasonable relative to percentage determinations that shall be applicable only to sales made by the Company after its receipt, and its notification to the customers affected, of such orders. The Company shall give such notification within three business days after its receipt of such orders.

The following calculations will be made to derive the prices to be charged per therm of 280 Day Non Peak Firm gas consumed:

Rate 280-2 (alternate fuel - #2 oil)

$$\$/\text{therm} = \frac{\text{posted price/gallon (\#2)} \times 100,000 \times \text{percentage of posted price of oil}}{140,000}$$

Issued: August 28, 2001

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Issued by: _____

Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

280 DAY SALES SERVICE (Cont'd)

Rate 280-41 (alternate fuel - #4 oil [1% sulfur])

$$$/therm = \frac{\text{posted price/barrel (\#4 - 1\%)} \times 100,000}{145,000 \times 42} \times \text{percentage of posted price of oil}$$

Rate 280-61 (alternate fuel - #6 oil [1% sulfur])

$$$/therm = \frac{\text{posted price/barrel (\#6 - 1\%)} \times 100,000}{150,000 \times 42} \times \text{percentage of posted price of oil}$$

Rate 280-62 (alternate fuel - #6 oil [2 - 2.25% sulfur])

$$$/therm = \frac{\text{posted price/barrel (\#6 - 2.25\%)} \times 100,000}{150,000 \times 42} \times \text{percentage of posted price of oil}$$

At any time in which 280 Day Non Peak Service is not available, any gas consumed by a customer for pilot use will be combined with the customer's firm gas billing and billed under the Company's Large Volume 70 tariff.

This 280 Day Service Rate is not subject to the cost of gas rate.

The rates determined above are subject to the floor price defined below:

The floor price is defined as equaling the marginal cost of gas for the day of the sale adjusted to include: (a)\$0.02 per therm; and (b) all applicable taxes.

The rate charged at any time during the year shall not be greater than the rate charged in accordance with the winter rate under the Company's Commercial/Industrial G-43 rate classification. For comparable usage, 280 sale margins shall not be less than 280 Day transportation margins, i.e., the rate charged to the customer less the floor price.

Terms and Conditions

A written service agreement (Service Agreement) on the Company's standard form shall be required. The service is also available in conjunction with the equivalent transportation service. The customer may elect to enter into concurrent interruptible sales and transportation contracts. Should the customer elect to do so, the customer must also elect on a monthly basis which service is to be utilized. In any event, the customer is only responsible for the payment of one service charge per month. The Service Agreement may contain limitations as to maximum hourly daily or monthly consumption, provisions for notice of interruption and additional charges for excess usage, terms of payment and other terms and conditions of service. The customer must agree to discontinue gas service for a minimum of thirty (30) consecutive days per year. On or before November 1 of each year, the Company shall notify each 280 Day service customer of the starting and ending dates for the thirty (30) consecutive days of non-service for that year for that customer. The Company, at its sole option, may discontinue service for up to fifty-five (55) additional days during the Winter Period from November through April inclusive, upon twenty-four (24) hours notice. The Company will use its best efforts to provide the maximum notification of service disruption for the additional fifty-five (55) day period. The additional fifty-five (55) days of interruption need not be consecutive.

Issued: August 28, 2001
Effective: November 1, 2001

Issued by: _____
Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

280 DAY SALES SERVICE (Cont'd)

Customer shall pay its bills monthly. Any amounts not paid prior to the due date; normally the next meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed - are subject to a late payment charge of one and one half percent (1½%) per month on the unpaid balance.

The customer must certify in a signed affidavit, appended to the contract, that the installation being served physically and legally capable of burning the specific type of fuel oil used as the equivalent Btu determinant oil or other alternate fuel. The Company reserves the right, in its sole discretion, to waive the aforementioned affidavit upon good cause being shown by the customer. This service shall be limited in the Company's sole discretion to the operational systems and gas supply limitations of the Company. If a customer does not certify to the capability of burning a specific type of fuel oil, the customer's oil parity fuel price will be based on #2 fuel oil.

If incremental facilities, other than remote metering costs included in the customer charge, are required on the Company's system to serve the customer, the cost of such facilities shall be paid for by the customer. If the customer converts to this service from another customer service classification without satisfying payment of facility costs in the Company's Service and Main Extension tariff, the costs unrecovered by the Company must be prepaid by the customer. The customer shall be required to have remote meter reading facilities.

280 Day Sales Service is not available in conjunction with Standby Sales Service.

The Company will compute the oil parity price and will notify each customer of the price for the month no less than five (5) business days prior to the first day of each month during the 280 Day firm period. The quoted price shall be fixed during each firm service month subject to the floor price provision of this tariff. During the 280 Day period of firm service, the Company may, in extraordinary circumstances, adjust the quoted price upward in the unlikely event that the floor price, for unanticipated reasons, rises above the price quoted for the month. For the fifty-five (55) day period of potential additional service, daily price quotes will be provided to the customer by the Company not less than twenty-four (24) hours in advance. The quoted price during the fifty-five (55) day period shall not be less than the floor price provisions of this tariff.

Gas delivered hereunder will be separately metered and shall not be used interchangeably with gas supplied under any other service classification except as specified herein. The Company shall be afforded the opportunity by the customer to inspect the facilities to properly ascertain the gas-using capacity and alternate fuel capability on the customer's premises.

It is the customer's full responsibility to have standby equipment installed and maintained in operating condition and a fuel supply adequate for its operation at all times.

If a customer requests gas on an emergency basis when gas service would otherwise be precluded under the service classification, the Company may, in its sole discretion, tender gas if it determines that an emergency does exist and the Company has the ability to provide the gas service. Gas consumed under this provision will be priced at a rate per therm equal to the highest cost of gas, as determined by the Company, during the time such service is rendered, adjusted for the applicable taxes and assessments, plus the Industrial General firm sales delivery rate.

The customer shall pay for any unauthorized gas usage at the rate of One Dollar and Fifty Cents (\$1.50) per therm.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective, or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: August 28, 2001

Issued by: _____

Effective: November 1, 2001

Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

280 DAY TRANSPORTATION SERVICE

Availability

This service is applicable to all customers who maintain alternate fuel capability and have a minimum usage 5,000 therms in any month in the prior twelve (12) month period, provided that the Company has adequate delivery facilities to meet the customer's requirements at that location. Eligibility shall be based upon the reasonable discretion of the Company and based upon a review of monthly usage during the prior twelve (12) months or estimated usage based upon connected load when there is not twelve (12) months of actual usage.

Customers may aggregate supply volumes to satisfy the requirements for minimum usage; however, for all other purposes, such aggregating customers will be considered to be individual customers.

Character of Service

Transportation service on the Company's system will be provided, which will be firm transportation service for minimum of 280 days per year. For the remainder of the year, this service will be identical to Interruptible Transportation (IT) service regarding curtailment, interruption and Company use of emergency gas, and the tariff terms and conditions of IT are hereby incorporated into this tariff.

Rate

The Customer Charge will be Two Hundred Dollars (\$200.00) per month per meter and is subject to all applicable taxes.

Maximum Volumetric Rate

The volumetric rate set by the Company shall not be greater than the maximum rates per therm as follows:

	<u>Winter Period</u> <u>Delivery Rate</u>	<u>Summer Period</u> <u>Delivery Rate</u>
Customer Charge Per Month Per Meter	\$200.00	\$200.00
First 20,000 therms per month at	\$0.2250	\$0.0580
20,001 to 300,000 therms per month at	\$0.1310	\$0.0430
All over 300,000 therms per month at	\$0.0930	\$0.0315

Subject to the maximum set forth above, the transportation rate may be fixed monthly by adjusting the above rate structure, in a non-discriminatory manner, to meet market conditions, however, under no circumstances will these rates be flexed below the corresponding Interruptible Transportation rates for similarly situated customers.

Minimum Volumetric Rate

The minimum volumetric rate shall be \$.015 per therm. The volume of gas transported each month shall be determined by multiplying the volumes measured at the customer's meter by 1.022 to account for system losses and unaccounted for. This volume will be the amount used by the Company in all monthly pricing calculations.

This rate is not subject to the firm transportation cost of gas rate or the Local Distribution Adjustment Charge. The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the month of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Issued: August 28, 2001

Effective: November 1, 2001

Issued by: _____

Dennis Carroll
Vice President and Controller

II. RATE SCHEDULES

280 DAY TRANSPORTATION SERVICE (Cont'd)

Terms and Conditions

Customers taking service under this rate schedule will be subject to the terms and conditions of Delivery Service, Section 9 - Daily Metered Delivery Service, of the Company's Delivery Tariff.

A written 280 Day service agreement (Service Agreement) on the Company's standard form for a minimum period, as defined in the Service Agreements, shall be required for 280 Day service. The Company will make service available under this tariff within sixty (60) days of receipt of the completed Service Agreement. The Service Agreement may contain limitations as to maximum hourly, daily or monthly consumption, provisions for notice of interruption and additional charges for excess usage, terms of payment and other terms and conditions of service.

Customer shall pay its bills monthly. Any amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed, are subject to a late payment charge of one and one half percent (1½%) per month on the unpaid balance.

It is the customer's full responsibility to have standby equipment installed and maintained in operating condition and a fuel supply adequate for its operation at all times.

The customer must certify in a signed affidavit, appended to the contract, that the installation being served is physically and legally capable of burning an alternate fuel. The Company reserves the right, in its sole discretion, to waive the aforementioned affidavit upon good cause being shown by the customer. This service shall be limited to the Company's sole discretion to the operational systems and of the Company.

If incremental facilities, other than remote metering costs included in the customer charge, are required on the Company's system to serve the customer, the cost of such facilities shall be paid for by the customer. If the customer converts to this service from another customer service classification without satisfying payment of facility costs in the Company's Service and Main Extension tariff, the costs unrecovered by the Company must be prepaid by the customer. The customer shall be required to have remote meter reading facilities.

The customer must agree to discontinue gas service for a minimum of thirty (30) consecutive days per year. On or before November 1 of each year, the Company shall notify each 280 Day transportation customer of the starting and ending dates for the thirty (30) consecutive days of non-service for that year for that customer. The Company, at its sole option, may discontinue service for up to fifty-five (55) additional days during the Winter Period from November through April inclusive upon twenty-four (24) hours notice. The Company will use its best efforts to provide the maximum notification of service disruption for the additional fifty-five (55) day period. The additional fifty-five (55) days of interruption need not be consecutive.

If a customer requests gas on an emergency basis when gas service would otherwise be precluded under this service classification, the Company may, in its sole discretion, tender gas if it determines that an emergency does exist and the Company has the ability to provide the gas service. Gas consumed under this provision will be priced at a rate per therm equal to the highest cost of gas, as determined by the Company, during the time such service is rendered, adjusted for the applicable taxes and assessments, plus the Industrial General firm sales delivery rate.

The customer shall pay for any unauthorized gas usage at the rate of One Dollar and Fifty Cents (\$1.50) per therm.

Issued: August 28, 2001
Effective: November 1, 2001

Issued by: _____
Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

280 DAY TRANSPORTATION SERVICE (Cont'd)

Balancing

The customer shall be responsible for balancing with the interstate pipeline its upstream (prior to the city gate) day nominations with daily takes. The customer shall provide nominations to the Company as provided in the Service Agreement. The terms, conditions and charges for balancing are detailed in the Service Agreement.

Measurement

Gas delivered hereunder will be separately metered and shall not be used interchangeably with gas supplied under any other service classification except as specified herein. The Company shall be afforded the opportunity by the customer to inspect the facilities to properly ascertain the gas-using capacity and alternate fuel capability on the customer's premises.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective, or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: August 28, 2001
Effective: November 1, 2001

Issued by: _____
Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

INTERRUPTIBLE TRANSPORTATION SERVICE - ITS

Availability

This service is applicable to all customers who maintain alternate fuel capability and have a minimum usage 10,000 therms in any month in the prior twelve (12) month period. Eligibility shall be based upon the reasonable discretion of the Company and based upon a review of monthly usage during the prior twelve (12) months estimated usage based upon connected load when there is not twelve (12) months of actual usage.

Customers may aggregate supply volumes to satisfy the requirements for minimum usage; however, for all other purposes, such aggregating customers will be considered to be individual customers.

Character of Service

Transportation service will be provided on a best efforts basis and will be subject to interruption and/or curtailment to the extent the Company determines in its sole judgment, such interruption to be necessary to ensure continuous service to the Company's firm sales and transportation customers. All curtailments or interruptions by the Company will be made in accordance with the Interruptible Transportation Service Agreement and the Company's Supply Capacity Shortage Allocation Policy.

Rate on a Daily Basis

The Customer Charge will be Two Hundred Dollars (\$200.00) per month per meter and is subject to all applicable taxes.

Maximum Volumetric Rate

The volumetric rate set by the Company shall not be greater than the maximum rates per therm as follows:

	<u>Winter Period</u> <u>Delivery Rate</u>	<u>Summer Period</u> <u>Delivery Rate</u>
Customer Charge per month per meter	\$200.00	\$200.00
First 20,000 therms per month at	\$0.2200	\$0.0530
20,001 to 300,000 therms per month at	\$0.1260	\$0.0380
All over 300,000 therms per month at	\$0.0880	\$0.0265

Subject to the maximum set forth above, the transportation rate may be flexed monthly by adjusting the above rate structure, in a non-discriminatory manner, to meet market conditions.

Minimum Volumetric Rate

The minimum volumetric rate shall be \$.010 per therm. The volume of gas transported each month shall be determined by multiplying the volumes measured at the customer's meter by 1.022 to account for system losses and unaccounted for. This volume will be the amount used by the Company in all monthly pricing calculations.

This rate is not subject to the firm transportation cost of gas rate or the Local Distribution Adjustment Charge

The above rates shall be adjusted to reflect the recovery of all applicable taxes. The Winter Period shall be the months of November through April inclusive. The Summer Period shall be the months of May through October inclusive.

Issued: August 28, 2001

Effective: November 1, 2001

Issued by: _____

Dennis Carroll
Title: Vice President and Controller

II. RATE SCHEDULES

INTERRUPTIBLE TRANSPORTATION SERVICE - ITS (Cont'd)

Terms and Conditions

Customers taking service under this rate schedule will be subject to the terms and conditions of Delivery Service, Section 9 - Daily Metered Delivery Service, of the Company's Delivery Tariff.

A written interruptible service agreement (Service Agreement) on the Company's standard form for a minimum period, as defined in the Service Agreements, shall be required for Interruptible Transportation service. The Company will make service available under this tariff within sixty (60) days of receipt of the completed Service Agreement. The Service Agreement may contain limitations as to maximum hourly, daily or monthly consumption, provisions for notice of interruption and additional charges for excess usage, terms of payment and other terms and conditions of service.

Customer shall pay its bills monthly. Any amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed, are subject to a late payment charge of one and one half percent (1½%) per month on the unpaid balance.

It is the customer's full responsibility to have standby equipment installed and maintained in operating condition and a fuel supply adequate for its operation at all times.

The customer must certify in a signed affidavit, appended to the contract, that the installation being served is physically and legally capable of burning an alternate fuel. The Company reserves the right, in its sole discretion, to waive the aforementioned affidavit upon good cause being shown by the customer. This service shall be limited to the Company's sole discretion to the operational systems of the Company.

If incremental facilities, other than remote metering costs included in the customer charge, are required on the Company's system to serve the customer, the cost of such facilities shall be paid for by the customer. If the customer converts to this service from another customer service classification without satisfying payment of facility costs in the Company's Service and Main Extension tariff, the costs unrecovered by the Company must be prepaid by the customer. The customer shall be required to have remote meter reading facilities.

If a customer requests gas on an emergency basis when gas service would otherwise be precluded under the service classification, the Company may, in its sole discretion, tender gas if it determines that an emergency does exist and the Company has the ability to provide the gas service. Gas consumed under this provision will be priced at a rate per therm equal to the highest cost of gas, as determined by the Company during the time such service is rendered, adjusted for the applicable taxes and assessments, plus the Industrial General firm sales delivery rate.

The customer shall pay for any unauthorized gas usage at the rate of One Dollar and Fifty Cents (\$1.50) per therm.

Balancing

The customer shall be responsible for balancing with the interstate pipeline its upstream (prior to the city gate) daily nominations with daily takes. The customer shall provide nominations to the Company as provided in the Service Agreement. The terms, conditions and charges for balancing are detailed in the Service Agreement.

Measurement

Gas delivered hereunder will be separately metered and shall not be used interchangeably with gas supplied under any other service classification except as specified herein. The Company shall be afforded the opportunity by the customer to inspect the facilities to properly ascertain the gas-using capacity and alternate fuel capability on the customer's premises.

Service under this rate is subject to the rules and regulations and the published tariff, terms and conditions presently effective, or as filed from time to time, with the New Hampshire Public Utilities Commission.

Issued: August 28, 2001
Effective: November 1, 2001

Issued by: _____
Dennis Carroll
Title: Vice President and Controller

NHPUC NO. 5- GAS
KEYPSAN ENERGY DELIVERY NEW ENGLAND

Sixth Revised Page 83
Superseding Fifth Page 83

Anticipated Cost of Gas
 PERIOD COVERED: SUMMER PERIOD, MAY 1 THROUGH OCTOBER 31, 2004
 (REFER TO TEXT ON TARIFF PAGES 18-36)

(Col 1)	(Col 2)	(Col 3)
ANTICIPATED DIRECT COST OF GAS		
Purchased Gas:	\$3,914,335	
Demand Costs:	14,709,744	
Supply Costs:		
Storage Gas:	-	
Demand, Capacity:	-	
Commodity Costs:		
	<u>82,077</u>	
Produced Gas:		\$18,706,157
Unadjusted Anticipated Cost of Gas		
Adjustments:		
Prior Period (Over)/Under Recovery (October 31, 2003 balance)	(\$753,900)	
Prior Period Adjustments	-	
Broker Revenues	-	
Refunds from Suppliers	-	
Fuel Financing	-	
Transportation CGA Revenues	-	
280 Day Margin	-	
Interruptible Sales Margin	-	
Capacity Release Margin	-	
Hedging Costs	-	
Interest	(39,035)	
Total Adjustments		<u>(792,935)</u>
Total Anticipated Direct Cost of Gas		\$17,913,221
Anticipated Indirect Cost of Gas		
Working Capital:		
Total anticipated Direct Cost of Gas (5/01/04 - 10/31/04)	\$18,706,157	
Working Capital Percentage	0.56%	
Working Capital	\$104,754	
Plus: Working Capital Reconciliation (Acct 142.40)	<u>9,522</u>	
Total Working Capital Allowance		\$114,277
Bad Debt:		
Total Anticipated Direct Cost of Gas (5/01/04 - 10/31/04)	\$18,706,157	
Less: Refunds	-	
Plus: Total Working Capital	114,277	
Plus: Prior Period (Over)/Under Recovery	<u>(753,409)</u>	
Subtotal	\$18,067,024	
Bad Debt Percentage	0.97%	
Bad Debt Allowance	\$175,250	
Total Bad Debt Allowance		
Plus: Bad Debt Reconciliation (Acct 175.54)	<u>2,008</u>	
Total Bad Debt Allowance		177,258
Production and Storage Capacity		
Miscellaneous Overhead (5/01/04 - 10/31/04)	\$607,226	
Times Summer Sales	26,293	
Divided by Total Sales	<u>122,618</u>	
Miscellaneous Overhead		<u>130,206</u>
Total Anticipated Indirect Cost of Gas		\$421,740
Total Cost of Gas		<u>\$18,334,962</u>

Issued: May 12, 2004
 Effective: May 1, 2004

Issued: By N. Stavropoulos
 Nickolas Stavropoulos
 Title: President

CALCULATION OF FIRM SALES COST OF GAS RATE
PERIOD COVERED: SUMMER PERIOD, MAY 1 THROUGH OCTOBER 31, 2004
(Refer to Text on Tariff Pages 15-32)

(Col 1)	(Col 2)	(Col 3)
Total Anticipated Direct Cost of Gas	\$ 17,913,221	
Projected Prorated Sales (5/1 - 10/31/04)	26,848,329	
Direct Cost of Gas Rate		\$ 0.6672 per therm
Total Anticipated Indirect Cost of Gas	\$ 421,740	
Projected Prorated Sales (5/1 - 10/31/04)	26,848,329	
Indirect Cost of Gas		\$ 0.0157 per therm
TOTAL PERIOD AVERAGE COST OF GAS EFFECTIVE MAY 1, 2004		\$ 0.6829 per Therm
Change in rate to reduce under/(over) recovery		\$ 0.0672 per Therm
TOTAL PERIOD AVERAGE COST OF GAS EFFECTIVE JUNE 1, 2004		\$ 0.7501 per Therm
Change in rate to reduce under/(over) recovery		\$ 0.0694 per Therm
TOTAL PERIOD AVERAGE COST OF GAS EFFECTIVE JULY 1, 2004		\$ 0.8195 per Therm

RESIDENTIAL COST OF GAS RATE - 7/1/04	COGsr	\$ 0.8195 /therm
RESIDENTIAL COST OF GAS RATE - 6/1/04	COGsr	\$ 0.7501 /therm
RESIDENTIAL COST OF GAS RATE - 5/1/04	COGsr	\$ 0.6829 /therm

Minimum	(COG - 20%)	\$ 0.5463
Maximum	(COG + 20%)	\$ 0.8195

COM/IND LOW WINTER USE COST OF GAS RATE - 7/1/04	COGsl	\$ 0.7986 /therm
COM/IND LOW WINTER USE COST OF GAS RATE - 6/1/04	COGsl	\$ 0.7310 /therm
COM/IND LOW WINTER USE COST OF GAS RATE - 5/1/04	COGsl	\$ 0.6655 /therm

Average Cost of Gas Rate Effective 5/1/04	\$ 0.81950
Times: Low Winter Use Ratio (Summer)	0.98254
Times: Correction Factor	0.99184
	\$ 0.79860

Minimum	(COG - 20%)	\$ 0.5324
Maximum	(COG + 20%)	\$ 0.7986

COM/IND HIGH WINTER USE COST OF GAS RATE - 7/1/04	COGsh	\$ 0.8345 /therm
COM/IND HIGH WINTER USE COST OF GAS RATE - 6/1/04	COGsh	\$ 0.7638 /therm
COM/IND HIGH WINTER USE COST OF GAS RATE - 5/1/04	COGsh	\$ 0.6954 /therm

Average Cost of Gas Rate Effective 5/1/04	\$ 0.81950
Times: High Winter Use Ratio (Summer)	1.02665
Times: Correction Factor	0.99184
	\$ 0.83450

Minimum	(COG - 20%)	\$ 0.5563
Maximum	(COG + 20%)	\$ 0.8345

Issued: June 23, 2004
Effective: July 1, 2004

Issued: By N. Stavropoulos / SMK
Nickolas Stavropoulos
Title: President

II. RATE SCHEDULES
FIXED PRICE OPTION PROGRAM
CALCULATION OF FIXED WINTER PERIOD COST OF GAS RATE
NOVEMBER 1, 2003 THROUGH APRIL 30, 2004
(Refer to Text on Tariff Page 37)

(Col 1)	(Col 2)	(Col 3)
Total Anticipated Direct Cost of Gas		
Projected Sales (11/01/03 - 4/30/04)	\$ 75,435,305	
Calculated Direct Cost of the Fixed Price Option	95,219,000	\$ 0.7922 per therm
Total Anticipated Indirect Cost of Gas		
Projected Sales (11/01/03 - 4/30/04)	\$ 4,334,837	
Indirect Cost of the Fixed Price Option	95,219,000	\$ 0.0455 per therm
Risk Premium (Per NHPUC Order No. 23,774 dated September 7, 2001))		\$ 0.0219
TOTAL PERIOD AVERAGE FIXED PRICE COST OF GAS EFFECTIVE NOVEMBER 1, 2003		\$ 0.8597
RESIDENTIAL FIXED PRICE OPTION RATE - 11/1/03		
	COGwr	\$ 0.8597 /therm

COM/IND LOW WINTER USE FIXED PRICE OPTION RATE - 11/1/03		
	COGwl	\$ 0.7658 /therm
Average Cost of Gas Rate Effective 11/1/03	\$ 0.8597	
Times: Low Winter Use Ratio (Winter)	0.90247	
Times: Correction Factor	0.98700	
	\$ 0.76577	

COM/IND HIGH WINTER USE FIXED PRICE OPTION RATE - 11/1/03		
	COGwh	\$ 0.8759 /therm
Average Cost of Gas Rate Effective 11/1/03	\$ 0.8597	
Times: High Winter Use Ratio (Winter)	1.03231	
Times: Correction Factor	0.98700	
	\$ 0.87594	

Issued: October 29, 2003

Effective: November 1, 2003

Issued by:

N. Stavropoulos (P&S)

Title:

Nickolas Stavropoulos
Executive Vice President

Docket 06 03/60
ORDER 24,227

II. RATE SCHEDULES
Calculation of Firm Transportation Cost of Gas Rate
PERIOD COVERED: WINTER PERIOD, NOVEMBER 1, 2003 THROUGH APRIL 30, 2004
(Refer to text on Tariff Page 36)

(Col 1)	(Col 2)	(Col 3)	(Col 4)
ANTICIPATED COST OF SUPPLEMENTAL GAS SUPPLIES:			
PROPANE	\$ -		
LNG	455,362		
TOTAL ANTICIPATED COST OF SUPPLEMENTAL GAS SUPPLIES	455,362		
ESTIMATED PERCENTAGE USED FOR PRESSURE SUPPORT PURPOSES	14.3%		
ESTIMATED COST OF LIQUIDS USED FOR PRESSURE SUPPORT PURPOSES	\$ 65,117		
PROJECTED FIRM THROUGHPUT (THERMS):			
FIRM SALES	95,219,000	86.0%	
FIRM TRANSPORTATION SUBJECT TO FTCG	15,438,785	14.0%	
TOTAL FIRM THROUGHPUT SUBJECT TO COST OF GAS CHARGE	110,657,785	100.0%	
TRANSPORTATION SHARE OF SUPPLEMENTAL GAS SUPPLIES	14.0%	x	\$ 65,117 = \$ 9,085
PRIOR (OVER) OR UNDER COLLECTION			(8,940)
NET AMOUNT TO COLLECT FROM (RETURNED TO) TRANSPORTATION CUSTOMERS			\$ 145
PROJECTED FIRM TRANSPORTATION THROUGHPUT			15,438,785
FIRM TRANSPORTATION COST OF GAS ADJUSTMENT			0.0000

Issued: October 29, 2003

Effective: November 1, 2003

Issued by:

Title:

N. Stawropoulos
Nickolas Stawropoulos
Executive Vice President

Docket 06-03-160
ORDER # 24,327

NHPUC NO. 5 - GAS
KEYSPAN ENERGY DELIVERY

SECOND REVISED PAGE 87
SUPERSEDING FIRST REVISED PAGE 87

Environmental Surcharge - Relief Holder

Relief Holder and Pond at Gas Street, Concord, NH

Total Cost	\$0
Estimated collection through October 31, 2002 (88 months)	\$0
Balance to be collected	\$ -
Remaining number of years over which unrecovered costs are to be amortized (8 months)	0
Required annual increase in rates	<u>\$0.0000</u>
Estimated weather normalized firm therms billed for the twelve months ended 10/31/03 - sales and transportation	147,175,278 therms
Surcharge per therm	<u>\$0.0000 per therm</u>

Issued: October 29, 2003

Effective: November 1, 2003

DOCKET # 06-03-160
ORDER # 24,227

Issued by: N. Stavropoulos (128)
Nickolas Stavropoulos
Title: Executive Vice President

**NHPUC NO. 5 - GAS
KEYSPAN ENERGY DELIVERY**

**SECOND REVISED PAGE 88
SUPERSEDING FIRST REVISED PAGE 88**

Environmental Surcharge - Manufactured Gas Plants

Manufactured Gas Plants

Required annual increase in rates	\$1,588,815
Estimated weather normalized firm therms billed for the twelve months ended 10/31/04 - sales and transportation	147,175,278 therms
Surcharge per therm	<u>\$0.0108</u> per therm
<u>Total Environmental Surcharge</u>	<u><u>\$0.0108</u></u> per therm

Issued: October 29, 2003

Effective: November 1, 2003

Issued by: N. Stavropoulos (Add)
Nickolas Stavropoulos
Title: Executive Vice President

Docket DG 03-160
ORDER 24, 227

Rate Case Expense (RCE) Factor Calculation

Rate Case Expense Factors for Residential Customers (RCEFres)

Rate Case Expense (RCE)	\$ -
Rate Case Expense Reconciliation Adjustment (RARce)	-
Total Rate Case Expense Recoverable	\$ -
Divide by:	-
Rate Case Expense Allocated to Residential	\$ -
Forecasted Annual Throughput Volumes for Residential Customer (A:VOLres)	64,201,231
Forecasted Annual Throughput Volumes for Commercial/Industrial Customer (A:VOLc&i)	82,974,047
Total Volumes	147,175,278

Rate Case Expense Factor for Residential Customers (RCEFres)	\$ -
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Rate Case Expense Factors for Commercial/Industrial Customers (RCEFc&i)

RCEFres	\$ -
Rate Case Expense (RCE)	\$ -
Rate Case Expense Reconciliation Adjustment (RARce)	-
Total Rate Case Expense Recoverable	\$ -
Divide by:	-
Rate Case Expense Allocated to Commercial/Industrial	\$ -
Forecasted Annual Throughput Volumes for Commercial/Industrial Customer (A:VOLc&i)	82,974,047
	\$ -

Rate Case Expense Factor for Commercial/Industrial Customers (RCEFc&i)	\$ -
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Issued: October 29, 2003

Effective: November 1, 2003

Issued by: *N. Stavropoulos*
Nickolas Stavropoulos
Title: Executive Vice President

DOCKET 06 03-160
ORDER # 24,227

NHPUC NO. 5 - GAS
KEYSPAN ENERGY DELIVERY

Second Revised Page 90
Superseding First Revised Page 90

Gas Restructuring Expense Calculation

Gas Restructuring Expense (GRE)

Gas Restructuring Expense (GRE)	\$ -
Gas Restructuring Expense Reconciliation Adjustment (RAgre)	(3,331)
Total Gas Restructuring Expense Recoverable	<u>\$ (3,331)</u>

Rate Case Expense Allocated Customers Eligible	\$ (3,331)
--	------------

Forecast Annual Throughput Volumes for Customers Eligible for Firm Delivery-Only Service (A:Tpre)	82,974,047
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Gas Restructuring Expense Factor (GREF) (Effective 11/02/03 - 10/31/04)	\$ -
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Issued: October 29, 2003

Effective: November 1, 2003

Issued by: N. Stavropoulos
Nickolas Stavropoulos
Title: Executive Vice President AS

DG 03-160
ORDER # 24,227

Local Distribution Adjustment Charge Calculation

Residential Non Heating Rates - R-1

Energy Efficiency Charge	0.0118	
Demand Side Management Charge	0	
Conservation Charge (CCx)		0.0118
Relief Holder and pond at Gas Street, Concord, NH	0.0000	
Manufactured Gas Plants	0.0108	
Environmental Surcharge (ES)		0.0108
Interruptible Transportation Margin Credit (ITMC)		0.0000
Rate Case Expense Factor (RCEF)		0.0000
LDAC		0.0226 per therm

Residential Heating Rates - R-3

Energy Efficiency Charge	0.0118	
Demand Side Management Charge	0.0005	
Conservation Charge (CCx)		0.0123
Relief Holder and pond at Gas Street, Concord, NH	0.0000	
Manufactured Gas Plants	0.0108	
Environmental Surcharge (ES)		0.0108
Interruptible Transportation Margin Credit (ITMC)		0.0000
Rate Case Expense Factor (RCEF)		0.0000
LDAC		0.0231 per therm

Commercial/Industrial Low Annual Use Rates - G-41, G-51

Energy Efficiency Charge	0.0089	
Demand Side Management Charge	(0.0001)	
Conservation Charge (CCx)		0.0088
Relief Holder and pond at Gas Street, Concord, NH	0.0000	
Manufactured Gas Plants	0.0108	
Environmental Surcharge (ES)		0.0108
Interruptible Transportation Margin Credit (ITMC)		0.0000
Gas Restructuring Expense Factor (GREF)		0.0000
Rate Case Expense Factor (RCEF)		0.0000
LDAC		0.0196 per therm

Commercial/Industrial Medium Annual Use Rates - G-42, G-52

Energy Efficiency Charge	0.0089	
Demand Side Management Charge	(0.0001)	
Conservation Charge (CCx)		0.0088
Relief Holder and pond at Gas Street, Concord, NH	0.0000	
Manufactured Gas Plants	0.0108	
Environmental Surcharge (ES)		0.0108
Interruptible Transportation Margin Credit (ITMC)		0.0000
Gas Restructuring Expense Factor (GREF)		0.0000
Rate Case Expense Factor (RCEF)		0.0000
LDAC		0.0196 per therm

Commercial/Industrial Large Annual Use Rates - G-43, G-53, G-54, G-63

Energy Efficiency Charge	0.0089	
Demand Side Management Charge	(0.0001)	
Conservation Charge (CCx)		0.0088
Relief Holder and pond at Gas Street, Concord, NH	0.0000	
Manufactured Gas Plants	0.0108	
Environmental Surcharge (ES)		0.0108
Interruptible Transportation Margin Credit (ITMC)		0.0000
Gas Restructuring Expense Factor (GREF)		0.0000
Rate Case Expense Factor (RCEF)		0.0000
LDAC		0.0196 per therm

Issued: October 29, 2003

Effective: November 1, 2003

Issued by:

Nickolas Stavropoulos

Title:

Executive Vice President

00cket OG 03-160
ORDER 24, 267

III DELIVERY TERMS AND CONDITIONS

**NHPUC NO. 5 – GAS
KEYSPAN ENERGY DELIVERY**

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1 RATES AND CHARGES

- 1.1 The Company shall apply this tariff on a non-discriminatory and non-preferential basis to all Customers who obtain service from the Company, except as this tariff is explicitly modified by order of the NHPUC. The provisions of Part III Section 20 of this tariff will specifically apply to all entities designated by the Customer as set forth in Section 20.5 to supply Gas to a Designated Receipt Point for the Customer's account.
- 1.2 The Company reserves the right to impose reasonable fees and charges pursuant to the various provisions of this tariff.
- 1.3 In the event that the Company incurs minimum bill, inventory, transition, take or pay imbalance, or any other charges associated with the provision of Delivery Service to Customers, the Company may impose an additional charge on the Suppliers serving said Customers as approved by the NHPUC.

III DELIVERY TERMS AND CONDITIONS

NHPUC NO. 5 - GAS
KEYSPAN ENERGY DELIVERY

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2 DEFINITIONS

Adjusted Target Volume ("ATV")	The volume of Gas determined by the Company using a Consumption Algorithm and required to be nominated and delivered each Gas Day by the Supplier on behalf of Customers taking non-daily metered Delivery Service.
Aggregation Pool	One or more Customer accounts whose Gas Usage is served by the same Supplier and aggregated pursuant to Section 20.6 of this tariff for operational purposes, including but not limited to nominating, scheduling, and balancing Gas deliveries to Designated Receipt Point(s) within the associated Gas Service Area.
Annual Reassignment Date	Five (5) Business Days prior to November 1 of each year when the Company reassigns Capacity to Suppliers pursuant to Section 11.6 of this tariff.
Assignment Date	Five (5) Business Days prior to the first Gas Day of each month when the Company assigns Capacity to Suppliers pursuant to Section 11.4 of this tariff.
Authorization Number	A number unique to the Customer generated by the Company and printed on the Customer's bill that the Customer must furnish to the Supplier to enable the Supplier to obtain the Customer's Gas Usage information pursuant to Section 20.4, and to initiate or terminate Supplier Service as set forth in Section 20.5 of this tariff.
Btu	One British thermal unit; i.e., the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at sixty degrees (60°) Fahrenheit.
Business Day	Monday through Friday excluding holidays recognized by the Company. Where relevant, a Business Day shall consist of the hours during which the Company is open for business with the public. <u>If any performance date referenced in this Tariff is not a Business Day, such performance shall be the next succeeding Business Day.</u>
Capacity	Pipeline Capacity, Storage Withdrawal Capacity, and Peaking Capacity as defined

III DELIVERY TERMS AND CONDITIONS

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	in this tariff.
Capacity Allocators	The estimated proportions of the Customer's Total Capacity Quantity that comprises Pipeline Capacity, Storage Withdrawal Capacity and Peaking Capacity.
Capacity Mitigation Service	The service available to Suppliers in accordance with Section 11.10.
City Gate	The interconnection between a Delivering Pipeline and the Company's distribution facilities.
Commodity	See Gas.
Company	EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England
Company Gas Allowance	The difference between the sum of all amounts of Gas received into the Company distribution system (including Gas produced by the Company) and the sum of all amounts of Gas delivered from the Company's distribution system divided by the sum of all amounts of Gas received. Such difference shall include but not be limited to Gas consumed by the Company for its own purposes, line losses, and Gas vented and leaked as a result of force majeure, excluding Gas otherwise accounted for.
Company-Managed Supplies	Capacity and Supply contracts held and managed by the Company and made available to the Supplier pursuant to Section 11.9 of this tariff including Supply-sharing contracts and load-management contracts.
Consumption Algorithm	A mathematical formula used to estimate a Customer's daily consumption.
Critical Day	In accordance with Section 16 of this tariff, a day declared at any time by the Company in its reasonable discretion when unusual operating conditions may jeopardize operation of the Company's distribution system.
Customer	The recipient of Delivery Service whose Gas Usage is recorded by a meter or group of meters at a specific location and who is a customer of record of the Company.
Daily Baseload	The Customer's average usage per Gas Day that is assumed to be unrelated to weather.
Daily Index	The mid-point of the range of prices as published by <u>Gas Daily</u> under heading "Daily Price Survey, Midpoint, Citygates, Tennessee/Zones (delivered)" for the relevant Gas Day listed under "Flow date(s)".

In the event that the Gas Daily index becomes unavailable, the Company

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shall apply its daily marginal cost of Gas as the basis for this calculation until such time that the NHPUC approves a suitable replacement.

Dekatherm	Ten Therms.
Delivery Point	The interconnection between the Company's facilities and the Customer's facilities.
Delivery Service	The distribution of Gas by the Company on any Gas Day from the Designated Receipt Point to the Customer's Delivery Point and related Customer services.
Design Peak Season	The forecasted Peak Season during which the Company's system experiences the highest aggregate Gas Usage.
Designated Receipt Point	For each Customer, the Company designated interconnection between a Transporting Pipeline and the Company's distribution facilities at which point, or such other point as the Company may designate from time to time for operational purposes, the Supplier will make deliveries of Gas for the Customer's account.
Designated Representative	The designated representative of the Customer, who shall be authorized to act for, and conclusively bind, the Customer regarding Delivery Service in accordance with the provisions of Section 21 of this tariff.
Gas	Natural Gas that is received by the Company from a Transporting Pipeline at the Designated Receipt Point and delivered by the Company to the Delivery Point for the Customer's account. In addition, the term shall include amounts of vaporized, liquefied natural Gas and/or propane-air vapor that are introduced by the Company into its system and made available to the Customer as the equivalent of natural Gas that the Customer is otherwise entitled to have delivered by the Company.
Gas Day	A period of twenty-four (24) consecutive hours beginning at 10:00 a.m., E.T., and ending at 10:00 a.m., E.T., the next calendar day, or other such hours used by the Transporting Pipeline.
Gas Service Area	An area within the Company's distribution system as defined in Section 4 of this tariff for the purposes of administering Capacity assignments, Nominations, balancing, imbalance trading, and Aggregation Pools.
Gas Usage	The actual quantity of Gas used by the Customer as measured by the Company's metering equipment at the Delivery Point.

III DELIVERY TERMS AND CONDITIONS

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Heating Degree Day	A measure used to estimate weather-sensitive Gas consumption calculated by subtracting the average temperature for each day from the number 65. Each degree day that represents a degree below 65 is considered a Heating Degree Day.
Heating Factor	The Customer's estimated weather-sensitive Gas consumption per Heating Degree Day.
Interruptible Delivery Service	Delivery Service provided to the Customer by the Company on less than a year-round basis, or as local distribution operating conditions permit.
MMBtu	One million Btus.
Maximum Daily Peaking Quantity ("MDPQ")	The portion of a Customer's Total Capacity Quantity identified and allocated as Peaking Capacity, such that the maximum daily amount of Gas that can be withdrawn from a Supplier's Peaking Service Account pursuant to Section 1 of this tariff shall be equal to the sum of the MDPQs for all Customers in the Supplier's Aggregation Pool.
Month	A calendar month of Gas Days.
Monthly Index	The average of the Daily Index numbers for all Gas Days in a Month.
NHPUC	The New Hampshire Public Utilities Commission.
Nomination	The notice given by the Supplier to the Company that specifies, in accordance with the Standard Nomination Form attached as Attachment E, an intent to deliver quantity of Gas to the Designated Receipt Point(s) on behalf of one or more Customers, including the volume to be received, the Designated Receipt Point(s), the Transporting Pipeline, the delivering contract(s), the shipper, and other such non-confidential information as may be reasonably required by the Company.
Off-Peak Season	The consecutive months of May to October, inclusive.
Operational Flow Order ("OFO")	The Company's instructions to the Supplier to take such action as conditions require including, but not limited to, diverting Gas to or from the Company distribution system pursuant to Section 16 of this tariff.
Peak Day	The forecasted Gas Day during which the Company's system experiences the highest aggregate Gas Usage.
Peak Season	The consecutive months of November to April, inclusive.
Peaking Capacity	Capacity in addition to upstream pipeline and underground storage Capacity normally

III DELIVERY TERMS AND CONDITIONS

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used by the Company to meet daily requirements during a Design Peak Season and acquired specifically for the Peak Season.

Peaking Service	A Company-managed resource consisting of Peaking Capacity and Peaking Supply
Peaking Service Account	An account whose balance indicates the total volumes of Peaking Service resource available to a Supplier, where the maximum balance in the account shall equal the Peaking Supply assigned to the Supplier pursuant to this tariff.
Peaking Service Rule Curve	A system of operational parameters associated with the use of the Company's Peakin Capacity including, but not limited to, indicators of the necessary levels of Peakin Supply that must be maintained in Suppliers' Peaking Service Accounts in order for the Company to meet system demands under Design Peak Season conditions. The Company will communicate, by electronic means as determined by the Company or in the event of failure of such electronic means, by facsimile or other agreeable alternative means, the Peaking Service Rule Curve as identified in Section 14 of the tariff.
Peaking Supply	The aggregate amount of Supply in excess of upstream pipeline and underground storage Supply required to meet the Company's forecasted Supply needs during Design Peak Season and acquired specifically for the Peak Season.
Peaking Supply Allocator	An allocation factor that represents the proportion of a Customer's estimated Gas Usage during the Design Peak Season that is generally served with Peaking Service supplies.
Pipeline Capacity	Transportation capacity on interstate pipeline systems normally used for delivery of Gas to the Company's city gates, exclusive of Storage Withdrawal Capacity.
Pre-Determined Allocation	Instructions from the Supplier to the Company for the method allocation discrepancies in confirmed Nominations among the Supplier's Aggregation Pool and/or Customers as set forth in the Supplier Service Agreement.
Rate Schedule	The schedule of rates included in this tariff.
Reference Period	A period of at least twelve (12) months for which a Customer's Gas Usage information is typically available to the Company.
Sales Service	Commodity service provided on a firm basis to a Customer who is not receiving Supplier Service, in accordance with the provisions set forth in this tariff. The provision of Sales Service shall be the responsibility of the Company and shall be provided to the Customer by the Company or its designated Supplier pursuant to law or regulation.

Issued: August 28, 2001

Issued by: Dennis Carr

ISSUED BY: DENNIS CARR

Title: Vice President and Controller

III DELIVERY TERMS AND CONDITIONS

NHPUC NO. 5 - GAS
KEYSPAN ENERGY DELIVERY

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Seasonal Storage Capacity	Contracts for Capacity in off-system storage facilities used to accumulate and maintain Gas inventories for re-delivery to the Company's city gates normally during the Peak Season.
Storage Withdrawal Capacity	Capacity for the withdrawal of Gas inventories maintained in off-system storage facilities, as well as the Pipeline Capacity used to deliver such Gas to the Company's city gates.
Supplier	Any entity that has met the Company's requirements set forth in Section 20 of this tariff and that has been designated by a Customer to supply Gas to a Designated Receipt Point for the Customer's account; provided, however, that a Customer may act as its own Supplier in accordance with Section 5.2 of this tariff.
Supplier Service	The sale of Gas to a Customer by a Supplier.
Supplier Service Agreement	An agreement, substantially in the form set forth in Attachment E, which must be executed by the Company and a Supplier in order for the Supplier to serve Customer on the Company's system.
Supply	See Gas.
Therm	An amount of Gas having a thermal content of 100,000 Btus.
Total Capacity Quantity ("TCQ")	The total amount of Capacity assignable to a Supplier on behalf of a Customer.
Transporting Pipeline	The interstate pipeline company that transports and delivers Gas to the Designated Receipt Point.

III DELIVERY TERMS AND CONDITIONS

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KEYSPAN ENERGY DELIVERY

3 CHARACTER OF SERVICE

- 3.1 All rates within Part II Rate Schedule are predicated upon service to a Customer at a single Delivery Point and metering installation, except as otherwise specifically provided by a given rate. Where service is supplied to a Customer at more than one Delivery Point or metering installation, each single Delivery Point or metering installation shall be considered to be a separate Customer for purposes of applying the Rate Schedule, except when a Customer is served through multiple points of delivery or metering installations for the Company's own convenience.
- 3.2 The Company may refuse to supply service to loads of unusual characteristics which, in its sole reasonable judgment, might adversely affect the quality of service supplied to other Customers, the public safety or the safety of the Company's personnel. In lieu of such refusal, the Company may require a Customer to install any necessary regulating and protective equipment in accordance with the requirements and specifications of the Company.

III DELIVERY TERMS AND CONDITIONS

NHPUC NO. 5 – GAS
KEYSPAN ENERGY DELIVERY

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4 GAS SERVICE AREAS AND DESIGNATED RECEIPT POINTS

- 4.1 There shall be 1 Gas Service Area defined for purposes of administering Capacity assignments, Nominations, balancing, imbalance trading, and Aggregation Pools pursuant to this tariff. Each such Gas Service Area shall be defined to include the municipalities listed within each such Gas Service Area, as follows:

- (1) Area 1: EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England

The area authorized to be served by the Company and to which this tariff applies are the following cities and towns: Allenstown, Amherst, Auburn, Bedford, Belmont, Berlin, Boscawen, Bow, Concord, Derry, Franklin, Gilford, Goffstown, Hollis, Hooksett, Hudson, Laconia, Litchfield, Londonderry, Loudon, Manchester, Merrimack, Milford, Nashua, Northfield, Pembroke, Sanbornton, Tilton and part of Canterbury.

- 4.2 For each Aggregation Pool as set forth by Section 20.6, the Company will designate at least one specific interconnection between a Transporting Pipeline and the Company's distribution facilities, at which point, or such other point as the Company may designate from time to time, the Supplier will make deliveries for the Aggregation Pool. The interconnections that the Company may assign as the Customer's Designated Receipt Point for the Aggregation Pool are as follows:

- (1) *Name Transporting Pipeline:*

Tennessee Gas Pipeline

Names of City Gates/Meter Numbers:

Nashua/Milford	#020132
Manchester	#020133
Hooksett	#020254
Concord/Laconia	#020426
Suncook	#020451
Londonderry	#020632

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(2) *Name Transporting Pipeline:*

Portland Natural Gas Transmission System

Names of City Gates/Meter Number

Berlin

#02-0260

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5 CUSTOMER REQUEST FOR SERVICE FROM COMPANY

- 5.1 Application for Delivery Service, Sales Service, or any other service offered by the Company to a Customer will be received by any duly authorized representative or agent of the Company.
- 5.2 Before any service from the Company may commence, the Customer must request such service. A Customer applying for Delivery Service only must also arrange for Supplier Service with a Supplier pursuant to Section 20. A Customer may act as its own Supplier provided it meets all of the Supplier requirements delineated in Section 20.

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6 QUALITY AND CONDITION OF GAS

- 6.1 Gas delivered to the Company by or for the Customer shall conform, in all respects, to the Gas quality standards of the Transporting Pipeline. All Gas tendered by a Supplier at a Designate Receipt Point shall be of merchantable quality and shall be interchangeable with Gas purchased by the Company from its Suppliers. The Company reserves the right to refuse non-conforming Gas.
- 6.2 In no event shall the Company be obligated to accept and deliver any Gas that does not meet the quality standards of the Transporting Pipeline.
- 6.3 The Company reserves the right to commingle Gas tendered by a Supplier at a Designate Receipt Point with other Gas, including liquefied natural Gas and propane-air vapor.
- 6.4 Gas tendered by a Supplier at a Designated Receipt Point will be at a pressure sufficient to enter the Company's distribution system without requiring the Company to adjust its normal operating pressures to receive the Gas. The Company has no obligation to receive Gas at a pressure that exceeds the maximum allowable operating pressure of the Company's distribution system at the Designated Receipt Point.

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regarding Delivery Service in accordance with the provisions of Part VII, Section 21 of this tariff.

- Effective Degree Day:** A measure used to estimate weather-sensitive Gas consumption calculated by subtracting the average temperature for each day from the number 65, plus factoring in wind speed. Each degree day that represents a degree below 65 is considered an Effective Degree Day.
- Gas:** Natural Gas that is received by the Company from a Transporting Pipeline at the Designated Receipt Point and delivered by the Company to the Delivery Point for the Customer's account. In addition, the term shall include amounts of vaporized liquefied natural Gas and/or propane-air vapor that are introduced by the Company into its system and made available to the Customer as the equivalent of natural Gas that the Customer is otherwise entitled to have delivered by the Company.
- Gas Day:** A period of twenty-four (24) consecutive hours beginning at 10:00 a.m., E.T., and ending at 10:00 a.m., E.T., the next calendar day, or other such hours used by the Transporting Pipeline.
- Gas Service Area:** An area within the Company's distribution system as defined in Part VII, Section 4 of this tariff, for the purposes of administering Capacity assignments, Nominations, balancing, imbalance trading, and Aggregation Pools.
- Gas Usage:** The actual quantity of Gas used by the Customer as measured by the Company's metering equipment at the Delivery Point.
- Heating Factor:** The Customer's estimated weather-sensitive Gas consumption per Effective Degree Day.
- Interruptible Delivery Service:** Delivery Service provided to the Customer by the Company on less than a year-round basis, or as local distribution operating conditions permit.
- MMBtu :** One million Btus.
- Maximum Daily Peaking Quantity ("MDPQ"):** The portion of a Customer's Total Capacity Quantity identified and allocated as Peaking Capacity, such that the maximum daily amount of Gas that can be withdrawn from a Supplier's Peaking Service Account

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8 COMPANY GAS ALLOWANCE

- 8.1 The amount of Gas tendered by the Supplier to the Designated Receipt Point will be reduced, upon delivery to the Customer's Delivery Point, by the Company Gas Allowance. The Company Gas Allowance shall be in effect from November 1 through October 31. Such adjustment shall be recalculated prior to the Company's Peak Season cost of Gas filing with the NHPUC.

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9 DAILY METERED DELIVERY SERVICE

9.1 Applicability

Section 9 of this tariff shall be applicable in the following conditions:

- 9.1.1 All Customers whose service may be interrupted at any time during the year shall be required to take daily metered Delivery Service.
- 9.1.2 Any Customer, regardless of annual Gas Usage, may elect daily metered Delivery Service
- 9.1.3 Customers under Rate Schedules G-43, G-53, G-54 and G-63 wishing to take Delivery Service are required to take Daily Metered Delivery Service. In addition, the Company may require a Customer to take daily metered Delivery Service if the Company determine that the daily Gas Usage characteristics of the Customer cannot be accurately modeled using the Company's Consumption Algorithm or if the volumes reasonably anticipated by the Company to be used by the Customer are of a size that may materially affect the integrity of the Company's distribution system.

9.2 Delivery Service Provided

This service provides delivery of Customer purchased Gas from the Designated Receipt Point to the Delivery Point on any Gas Day. For Customers taking Delivery Service under Rate Schedules G-43, G-53, G-54 and G-63, this service provides firm, year-round delivery of Customer purchased Gas from the Designated Receipt Point to the Delivery Point.

9.3 Nominations and Scheduling of Service

- 9.3.1 The Supplier is responsible for nominating and delivering to the Designated Receipt Point(s) every Gas Day an amount of Gas that equals the aggregated Gas Usage of Customers in the Aggregation Pool plus the Company Gas Allowance in accordance with Section 8 of this tariff.
- 9.3.2 Nominations shall be communicated to the Company by electronic means as determined by the Company or, in the event of failure of such electronic means, by facsimile or other agreeable alternative means.
- 9.3.3 Nominations for the first Gas Day of a Month shall be submitted to the Company no later than

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than two (2) hours prior to the deadline for first of the Month Nominations of the Transporting Pipeline or such lesser period as determined by the Company. The Company will make available, from time to time, a schedule of Nomination due dates. Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized for its own operations.

9.3.4 The Supplier may make daily Nominations including, but not limited to, changes to existing Nominations, within a given Month no later than two (2) hours prior to the deadline for daily Nominations of the Transporting Pipeline for the Gas Day on which the Nomination is to be effective, or such lesser period as determined by the Company. Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized for its own operations.

9.3.5 The Supplier may make intra-Gas Day Nominations, including but not limited to changes to existing Nominations, within a given Gas Day no later than two (2) hours prior to the intra-Gas Day Nomination deadline for the Transporting Pipeline on which the Nomination is to be effective, or such lesser period as determined by the Company. Intra-Gas Day Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized for its own operations.

9.3.6 Nominations will be conditionally accepted by the Company pending confirmation by the Transporting Pipeline. The Company will attempt to confirm the nominated volume with the Transporting Pipeline. In the event of a discrepancy between the volume nominated to the Company by the Supplier and the volume nominated by the Supplier to the Transporting Pipeline, the lower volume will be deemed confirmed. The Company will allocate such discrepancy based on a predetermined allocation method set forth in the Supplier Service Agreement. If no predetermined allocation method has been established prior to the event of such discrepancy, the Company will allocate the discrepancy on a pro rata basis.

9.3.7 Nominations may be rejected, at the sole reasonable discretion of the Company, if they do not satisfy the conditions for Delivery Service in effect from time to time.

9.4 Determination of Receipts

9.4.1 The quantity of Gas deemed received by the Company for the Supplier's Aggregation Point at the Designated Receipt Point(s) will equal the volume so scheduled by the Transporting Pipeline(s).

9.4.2 The Company Gas Allowance will be assessed against receipts pursuant to Section 8 of the

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tariff.

9.5 Metering and Determination of Deliveries

- 9.5.1 The Company shall furnish and install, at the Customer's expense, telemetering equipment and any related equipment for the purpose of measuring Gas Usage at each Customer's Delivery Point. Telemetering equipment shall remain the property of the Company at all times. The Company shall require each Customer to install and maintain, at the Customer's expense, reliable telephone lines and electrical connections that meet the Company's operating requirements. The Company may require the Customer to furnish a dedicated telephone line. If the Customer fails to maintain such telephone lines and electrical connections for fourteen (14) consecutive days after notification by the Company, the Company may discontinue service to the Customer.
- 9.5.2 Should a Customer or a Supplier request that additional telemetering equipment or a communication device be attached to the existing telemetering equipment in addition to that provided pursuant to Section 9.5.1, the Company shall install, test, and maintain the requested telemetering equipment or communication device; provided that such telemetering equipment or communication device does not interfere with the operation of the equipment required for the Company's purposes and otherwise meet the Company's requirements. The Customer or Supplier shall provide such telemetering equipment or communication device, unless the Company elects to do so. The Customer or Supplier shall bear the cost of providing and installing the telemetering equipment, communication device, or any other related equipment, and shall have electronic access to the Customer's Gas Usage information. Upon installation, the telemetering equipment or communication device shall become the property of the Company and will be maintained by the Company. The Company shall bill the Customer or Supplier after installation.
- 9.5.3 The Company shall complete installation of telemetering equipment and communication devices, if reasonably possible, within sixty (60) days of receiving a written request from the Customer or Supplier provided that the Customer completes the installation of any required telephone or electrical connections within ten (10) days of such request.
- 9.5.4 The Company may, at its sole discretion, bill the Customer on a calendar month or cycle month basis.

9.6 Balancing

- 9.6.1 The Supplier must maintain a balance between daily receipts and daily Gas Usage within the

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following tolerances:

Off-Peak Season: The difference between the Supplier's aggregate actual receipts on the Transporting Pipeline to each Gas Service Area and the aggregated Gas Usage of Customers in the Aggregation Pool shall be within 15% of said receipts. The Supplier shall be charged 0.1 times the Daily Index for all differences not within the 15% tolerance.

Peak Season: The difference between the Supplier's aggregate actual receipts on the Transporting Pipeline to each Gas Service Area and the aggregated Gas Usage of Customers in the Aggregation Pool shall be within 10% of said receipts. The Supplier shall be charged 0.5 times the Daily Index for all differences not within the 10% tolerance.

Critical Day(s): The Company will determine if the Critical Day will be aggravated by an under-delivery or an over-delivery, and so notify the Supplier when a Critical Day is declared pursuant to Section 16.

Critical Day That Will Be Aggravated by Under-delivery.

Supplier who under-delivers. A Supplier who under-delivers on a Critical Day that will be aggravated by under-delivery shall be charged 5 times the Daily Index for the aggregated Gas Usage of Customers in the Aggregation Pool that exceeds 102% of the Supplier's aggregate actual receipts on the Transporting Pipeline to each Gas Service Area.

Supplier who over-delivers. A Supplier who over-delivers on a Critical Day that will be aggravated by under-delivery shall be charged 0.1 times the Daily Index to the extent that the difference between the Supplier's aggregate actual receipts on the Transporting Pipeline to each Gas Service Area and the aggregated Gas Usage of Customers in the Aggregation Pool exceeds 20% of said receipt [(Receipts - Usage) > (20% x Receipts)].

Critical Day That Will Be Aggravated by Over-delivery.

Supplier who under-delivers. A Supplier who under-delivers on a Critical Day that will be aggravated by over-delivery shall be charge

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0.1 times the Daily Index to the extent that the difference between the Supplier's aggregated Gas Usage of Customers in the Aggregation Pool exceeds 120% of the Supplier's aggregate actual receipts on the Transporting Pipeline to each Gas Service Area.

Supplier who over-delivers. A Supplier who over-delivers on a Critical Day that will be aggravated by over-delivery shall be charged 5 times the Daily Index to the extent that the difference between the Supplier's actual receipts on the Transporting Pipeline to each Gas Service Area and the Supplier's aggregated Gas Usage of Customers in the Aggregation Pool exceeds 2% of said receipts [(Receipts Usage > (2% x Receipts)].

Point Specific In the event that the Transporting Pipeline requires its customers to
Balancing: balance on a point-specific basis, the Supplier must balance pursuant to this Section at each Designated Receipt Point.

- 9.6.2 If the Supplier has an accumulated imbalance within a Month, the Supplier may nominate to reconcile such imbalance, subject to the Company's approval, which approval shall not be unreasonably withheld.
- 9.6.3 In addition to the charges set forth in Section 9.6.1, the Company shall flow through to the Supplier any pipeline imbalance penalty charges attributable to the Supplier.
- 9.6.4 If, as a result of the Company interrupting or curtailing service pursuant to Section 18 of this tariff, the Supplier incurs a daily imbalance penalty due to overdelivery, the Company will waive such penalty for the First Day of the interruption or curtailment period. If the Company has issued notice of an interruption or curtailment in service and the Supplier is unable to change its Nomination, or if the Supplier's Gas has been delivered to the Designated Receipt Point, then the Company will credit such Gas against the Supplier's imbalance.
- 9.6.5 The Supplier will maintain a balance between receipts at the Designated Receipt Point(s) and the aggregated Gas Usage of Customers in each Aggregation Pool. If the Transporting Pipeline posts notice on its electronic bulletin board that its customers will be required to adhere to a maximum hourly flow rate, the Supplier will be deemed to have notice that maximum hourly flows will be in effect on the Company's distribution facilities as of the same time and for the same period as maximum hourly flows are in effect on the Transporting Pipeline. The Supplier's maximum hourly flow will be established based on

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an allocation of even hourly flows of daily receipts of Gas scheduled in the relevant period in accordance with the applicable transportation tariff of the Transporting Pipeline. All Gas Usage in excess of the Supplier's maximum hourly flow rate shall be subject to an additional charge of 5 times the Daily Index for each Dekatherm in excess of the Supplier's maximum hourly flow. The Company will notify the Supplier of the Supplier's maximum hourly flow.

- 9.6.6 If, during any fifteen (15) consecutive Gas Days, the Supplier delivers an amount less than 70% of the sum of the aggregated Gas Usage of Customers in the Aggregation Pool in the preceding Gas Days, the Company may declare the Supplier ineligible to nominate Gas for the following thirty (30) Gas Days. The Supplier shall have the opportunity to cure the imbalance with the demonstration of verifiable imbalance trades or otherwise within two (2) days of notification by the Company. If the Supplier is declared ineligible to nominate Gas for such 30 Gas Days, the Supplier may be reinstated at the end of the 30 Gas Days, provided it posts security equal to the product of: (1) the maximum aggregated Gas Usage of Customers in the Aggregation Pool expressed in MMBtu and (2) \$300. If, within twelve (12) months of the first offense, such Supplier is declared ineligible to nominate Gas pursuant to this Section, the Supplier will be disqualified from service under this tariff for one (1) full year from the time of the second disqualification. If the Supplier defaults on its obligations under this tariff, the Company shall have the right to use the security to satisfy the Supplier's obligations. Such security may be used by the Company to secure Gas, transportation, and storage, and to cover other related costs incurred as a result of the Supplier's default. The security may also be used to satisfy any outstanding claims that the Company may have against the Supplier including imbalance charges, cash charges, pipeline penalty charges, and other charges.

9.7 Cash Out

For each Aggregation Pool, the Supplier must maintain total Monthly receipts within a reasonable tolerance of total Monthly Gas Usage. Any differences between total Monthly receipts for the Aggregation Pool and the aggregated Gas Usage of Customers in the Aggregation Pool, expressed as a percentage of total Monthly receipts, will be cashed out according to the following schedule:

<u>Imbalance Tier</u>	<u>Over-deliveries</u>	<u>Under-deliveries</u>
0% ≤ 5%	The average of the Daily Indices for the relevant Month.	The highest average of seven consecutive Daily Indices for the relevant Month.

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$> 5\% \leq 10\%$	0.85 times the above stated rate.	1.15 times the above stated rate.
$> 10\% \leq 15\%$	0.60 times the above stated rate.	1.4 times the above stated rate.
$> 15\%$	0.25 times the above stated rate.	1.75 times the above stated rate.

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to volumes within a tier. For example, if there is a 7% under-delivery on a Transporting Pipeline volumes that make up the first 5% of the imbalance are priced at the highest average of the seven (7) consecutive Daily Indices. Volumes making up the remaining 2% of the imbalance are priced at 1.15 times the average of the seven (7) consecutive Daily Indices.

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10 NON-DAILY METERED DELIVERY SERVICE

10.1 Applicability

Section 10 of this tariff applies to Customers taking Delivery Service under Rate Schedules G-41, G-42, G-51, G-52 and their Suppliers.

10.2 Delivery Service Provided

This service provides firm, year-round delivery of Customer purchased Gas from the Designated Receipt Point to the Delivery Point on any Gas Day for Customers, without the requirement of recording Gas Usage at the Delivery Point on a daily basis. Daily Nominations are calculated by the Company on the basis of a Consumption Algorithm and the Supplier is obligated to deliver to the Designated Receipt Point(s) such quantities.

10.3 Nominations and Scheduling of Service

10.3.1 The Supplier is obligated to nominate and deliver the Adjusted Target Volume (“ATV”), as determined in Section 10.3.2, to the Designated Receipt Points on every Gas Day for each Aggregation Pool.

10.3.2 The Company shall determine the ATV for each Aggregation Pool of Customers taking non-daily metered Delivery Service for each Gas Day using a Consumption Algorithm. The ATV shall include the Company Gas Allowance. On each Business Day, the Company will communicate, electronically, by facsimile, or by other agreeable alternative means, the forecasted ATV to the Supplier for at least the subsequent four (4) Gas Days. The ATV in effect for any Gas Day shall be the most recent ATV for that Gas Day communicated to the Supplier by the Company. The ATV for a given Gas Day shall not be effective unless it has been communicated to the Supplier at least two (2) hours prior to the Company’s Supplier Nomination deadline for that Gas Day, which shall be at least two (2) hours prior to the deadline for nominations on the Transporting Pipeline, or such lesser period as determined by the Company.

10.3.3 Nominations will be communicated to the Company electronically, by facsimile, or other agreeable alternative means.

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- 10.3.4 Nominations for the first Day of a Month shall be submitted to the Company no later than two (2) hours prior to the deadline for first of the Month nominations of the Delivering Pipeline or such lesser period as determined by the Company. The Company will make available, from time to time, a schedule of nomination due dates. Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized for its own operations.
- 10.3.5 The Supplier shall provide an intra-Month nomination no later than two (2) hours prior to the deadline of the Delivering Pipeline for the next Gas Day, or such lesser period as determined by the Company. Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized for its own operations.
- 10.3.6 Nominations will be conditionally accepted by the Company pending confirmation by the Transporting Pipeline. The Company will attempt to confirm the nominated volume with the Transporting Pipeline. In the event of a discrepancy between the volume nominated to the Company by the Supplier and the volume nominated by the Supplier to the Transporting Pipeline, the lower volume will be deemed confirmed. The Company will allocate such discrepancy based on a predetermined allocation method set forth in the Supplier Service Agreement. If no predetermined allocation method has been established prior to the event of such discrepancy, the Company will allocate the discrepancy on a pro rata basis. The Company will not confirm any volume nominated by the Supplier in excess of the ATV.
- 10.3.7 In the event that the Supplier is unable to deliver a confirmed ATV Nomination, the Supplier may make intra-Gas Day Nominations relating to changes to existing Nominations with a given Gas Day no later than two (2) hours prior to the intra-Gas Day Nomination deadline for the Transporting Pipeline on which the Nomination is to be effective, or such lesser period as determined by the Company; provided, however, that the Nomination must be in conformance with the requirements of and must be permitted by the Transporting Pipeline. Intra-Gas Day Nominations on weekends, holidays, and non-business hours will be accepted by the Company on a basis consistent with that utilized by the Company for its own operations. The Company shall not adjust the ATV applied for the Gas Day.
- 10.3.8 Nominations may be rejected if they do not satisfy the conditions for Delivery Service effect from time to time.

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10.3.9 All quantities of Gas over-delivered or under-delivered to the Company's system in violation of an Operational Flow Order ("OFO") declared by the Company pursuant to Section 16 will be subject to the Critical Day provisions of Section 10.6.1 of this tariff, and the delivered quantity specified in the OFO will replace the ATV.

10.4 Determination of Receipts

10.4.1 The quantity of Gas deemed received by the Company for the Supplier's Aggregation Pool at the Designated Receipt Point(s) will equal the volume so scheduled by the Transporting Pipeline(s).

10.4.2 The Company Gas Allowance will be assessed against receipts pursuant to Section 8 of this tariff.

10.5 Metering and the Determination of Deliveries

The Company shall record the Customer's Gas Usage at the Delivery Point by making actual meter reads on a monthly [or bi-monthly] basis. In the event that the Customer's Gas Usage is metered on a bi-monthly basis, the Company shall make available to the Supplier estimate of the Customer's Gas Usage for each of the two billing months.

10.6 Balancing

10.6.1 Any difference between the Supplier's ATV for an Aggregation Pool and the receipts on the Transporting Pipeline to the appropriate Designated Receipt Point(s) will be cashed out by the Company according to the following:

Off-Peak Season: For receipts less than the ATV, the Supplier shall be charged 1.1 times the Daily Index for the difference. For receipts greater than the ATV, the Supplier shall be charged 0.8 times the Daily Index for the difference.

Peak Season: For receipts less than the ATV but greater than or equal to 95% of the ATV, the Supplier shall be charged 1.1 times the Daily Index for the difference. For receipts less than 95% of the ATV, the Supplier shall be charged 1.1 times the Daily Index for the first 5% difference, and the Supplier shall be charged two (2) times the Daily Index for the remainder.

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difference. For receipts greater than the ATV, the Supplier shall be charged 0.8 times the Daily Index for the difference

Critical Day(s): The Company will determine if the Critical Day will be aggravated by an under-delivery or an over-delivery and so notify the Supplier when a Critical Day is declared pursuant to Section 16.

Critical Day That Will Be Aggravated by Under-delivery.

Supplier who under-delivers. A Supplier who undelivers on a Critical Day that will be aggravated by under-delivery shall be charged five (5) times the Daily Index for the difference between the ATV and actual receipts.

Supplier who over-delivers. A Supplier who over-delivers on a Critical Day that will be aggravated by under-delivery shall be charged the following amounts for all receipts in excess of the ATV

- (a) up to 25% in excess of the ATV, the Supplier shall be charged the Daily Index for the difference.
- (b) for receipts in excess of 25% above the ATV, the Supplier shall be charged 0.8 times the Daily Index for the difference

Critical Day That Will Be Aggravated By Over-delivery.

Supplier who over-delivers. A Supplier who over-delivers on a Critical Day that will be aggravated by over-delivery shall be charged 0.4 times the Daily Index for receipts greater than the ATV.

Supplier who under-delivers. A Supplier who under-delivers on a Critical Day that will be aggravated by over-delivery shall be charged the following amounts--for receipts less than the ATV but greater than or equal to 75% of the ATV, the Supplier shall be charged the Daily Index for the first 25% difference, and the Supplier shall be charged 1.1 times the Daily Index for the remaining difference.

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- 10.6.2 In addition to the charges set forth in Section 10.6.1, the Company shall use a daily balancing charge calculation to account for balancing costs it incurs in serving each Aggregation Pool due to differences in forecast versus actual Heating Degree Days. The daily balancing charge shall be based on the sum of the absolute values of the daily differences between the Aggregation Pool's ATV and the recalculated ATV value described in Section 10.7.1 below. Such charge shall be billed to the Supplier monthly and shall reflect the cost of resources used by the Company to balance such differences for each Gas Day of the Month. The Company shall calculate such charge annually in its Peak Season cost of Gas filing according to a formula as set forth in Attachment D.


In the event that the Transporting Pipeline requires its customers to balance on a point-specific basis, the Supplier must balance pursuant to this Section at each Designated Receipt Point.

- 10.6.3 In addition to the charges set forth in Sections 10.6.1 and 10.6.2, the Company shall flow through to the Supplier any pipeline imbalance penalty charges attributable to the Supplier.

10.7 Cash Out

- 10.7.1 The Company shall use a daily cash out calculation to account for imbalances due to differences in forecast versus actual Heating Degree Days. Using a Consumption Algorithm, the Company will recalculate the ATV for each Aggregation Pool for each Gas Day of the Month, substituting actual Heating Degree Days for forecast Heating Degree Days. Daily recalculations shall be compared to the Aggregation Pool's daily ATV, and the difference shall be cashed out at 100% of the Daily Index.
- 10.7.2 During the billing months of both June and December, the Company shall use a six-month cash-out calculation to account for differences in forecast usage versus billed Gas Usage. The Company may cash-out differences in forecast usage versus billed usage at intervals that are less than six months as provided by the Supplier Service Agreement.
- (1) In the billing month of June, using the recalculated ATV values described in Section 10.7.1, the Company will compare the sum of the recalculated ATV values for each Aggregation Pool for the six-month period of November 1 through April 30 to the sum of billed usage volumes used by each Aggregation Pool for that same period. The differences shall be cashed out at 100% of the average of the Daily Index weighted by actual Heating Degree Days over the same period. The Peak period

Issued: March, 2002 Docket 98-124


Issued by: Dennis Carroll

Effective: April 1, 2002

Title: Vice President and Controller

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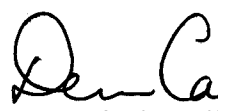
cash-out shall be calculated and provided to Suppliers within 60 days of the month ending April 30.

- (2) In the billing month of December, using the recalculated ATV values described in Section 10.7.1, the Company will compare the sum of the recalculated ATV values for each Aggregation Pool for the six-month period of May 1 through October 31 to the sum of the billed usage volumes used by each Aggregation Pool for that same period. The differences shall be cashed out at 100% of the average of the Daily Index over the same period. The Off-Peak period cash-out shall be calculated and provided to Suppliers within 60 days of the month ending October 31.

10.7.3 The Company shall allow Suppliers to trade seasonal differences. Prior to the seasonal cash-out, the Company shall make available a list of Suppliers. Aggregation Pools affected by the transaction must be located within the same Gas Service Area as defined in Section 4, unless waived by the Company. All trades must be communicated to the Company within three (3) Business Days following receipt of the list.

10.7.4 If, during any fifteen (15) consecutive Gas Days, the Supplier delivers an amount less than 70% of the sum of the ATVs of the Aggregation Pool in said Gas Days, the Company may declare the Supplier ineligible to nominate Gas for the following thirty (30) Gas Days. The Supplier shall have the opportunity to cure the imbalance with the demonstration of verifiable imbalance trades or otherwise within twenty-four (24) hours of notification by the Company. If the Supplier is declared ineligible to nominate Gas for such 30 Gas Days, the Supplier may be reinstated at the end of the 30 Gas Days, provided it posts security equal to the product of: (1) the Supplier's estimated maximum aggregate daily Gas Usage of Customers in the Aggregation Pool expressed in MMBtu and (2) \$300. If, within twelve (12) months of the first offense, such Supplier is declared ineligible to nominate Gas pursuant to this Section, the Supplier will be disqualified from service under this tariff for one (1) full year from the time of the second disqualification. If the Supplier defaults on its obligations under this tariff, the Company shall have the right to use such security to satisfy the Supplier's obligations. Such security may be used by the Company to secure Gas, transportation, storage, and to cover other related costs incurred as a result of the Supplier's default. The security may also be used to satisfy any outstanding claims that the Company may have against the Supplier including imbalance charges, cash-out charges, pipeline penalty charges, and other charges.

Issued: March, 2002 Docket 98-124


Issued by: Dennis Carroll

Effective: April 1, 2002

Title: Vice President and Controller

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- 11.3.3 For a Customer that was either receiving Supplier Service (or the equivalent form of service at the time) on March 14, 2000, or had an executed contract for firm transportation service (i.e., the equivalent of Delivery Service) on file with the Company on or before March 14, 2000, the TCQ shall be zero.
- 11.3.4 A Customer that was either receiving Supplier Service (or the equivalent form of service at the time) on March 14, 2000, or had a written request on file with the Company on or before March 14, 2000 may elect for its Supplier to accept assignment of its pro-rata share of Capacity as determined by the Company in accordance with Section 11.2 and, subject to availability, as determined by the Company in its sole reasonable discretion. In order to make such election, the Customer must have submitted to the Company, on or before ten (10) days prior to the first Assignment Date prior to the original effective date of this tariff, a completed application for Capacity that is signed by both the Customer and Supplier. All assignments of Capacity made on behalf of such electing Customer shall be executed in accordance with Sections 11 and 14 of this tariff as if the Customer had been receiving Sales Service on or after March 14, 2000.
- 11.3.5 For a new Customer taking Supplier Service as its initial service after March 14, 2000, the TCQ shall be zero except in cases where the Customer is a new Customer of record at a meter location where a former Customer of record received firm service from the Company any time during the preceding twenty-four (24) months, in which case the TCQ established by the Company for the former Customer shall become the TCQ for the new Customer. The Company may reduce said TCQ value for the new Customer, if, in its sole reasonable discretion, the Company determines that the old Customer's TCQ exceeds the new Customer's estimated future consumption on the Peak Day. In the event that Sales Service is provided at a new meter location for Gas Usage associated with new construction, the TCQ shall be zero, provided that the Customer initiates Supplier Service upon the completion of said new construction in accordance with Section 20.5 of this tariff.
- 11.3.6 Once the Company establishes a TCQ for a Customer pursuant to this Section 11.3, it shall remain in effect for the purpose of determining the Customer's pro-rata shares of Capacity until such time that the Customer returns to Sales Service. The Company shall establish a new TCQ value for the Customer pursuant to Section 11.3.2 if the Customer again elects to take Supplier Service after returning to Sales Service, unless otherwise established herein.
- 11.3.7 The Company shall determine the pro-rata shares of Pipeline Capacity, Storage Withdrawal Capacity, and Peaking Capacity assignable to a Supplier on behalf of a Customer as the product of the Customer's TCQ times the applicable Capacity Allocators. The Capacity

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11 CAPACITY ASSIGNMENT

11.1 Applicability

Section 11 of this tariff applies to all Suppliers that have enrolled one or more Customers into one or more Aggregation Pools and shall include Customers acting as their own Supplier. The Company shall assign and the Supplier shall accept each Customer's pro-rata share of Capacity, if any, as established in accordance with this Section.

11.2 Identification of Capacity for Assignment

11.2.1 On or before September 15 of each year, the Company shall communicate, by electronic means as determined by the Company or, in the event of failure of such electronic means, by facsimile or other agreeable alternative means, the Capacity to be made available for assignment to Suppliers on each of twelve Assignment Dates beginning in October.

11.2.2 The Company shall identify, by Gas Service Area, the specific contracts and resources for assignment to Suppliers based on the Company's Capacity and resource plans. Such identified contracts and resources shall be used to determine the pro-rata shares of Capacity assignable to a Supplier on behalf of the Customers enrolled in its Aggregation Pool.

11.2.3 Capacity assigned by the Company may include Company-Managed Supplies that effectuate at maximum tariff rates, the assignment of certain Capacity contracts including Canadian Federal Energy Regulatory Commission, 15 U.S.C. § 717(c) or Section 7(c) [Part 157 of the FERC regulations (18 C.F.R. part 157)] and other contracts that are not assignable to third parties due to governing tariffs.

11.3 Determination of Pro-Rata Shares of Capacity

11.3.1 The Company shall establish a Total Capacity Quantity ("TCQ") for each Customer taking Delivery Service. The TCQ represents the total amount of Capacity assignable to a Supplier on behalf of a Customer.

11.3.2 For a Customer receiving Sales Service on or after March 14, 2000, the TCQ shall be the Customer's estimated Gas Usage on the Peak Day as determined by the Company each October prior to the Customer's enrollment into Supplier Service. The Company shall derive such estimate using a Daily Baseload and a Heating Factor based upon the Customer's historic Gas Usage during the Reference Period, or the best estimates available to the Company should actual Gas Usage information be partially or wholly unavailable.

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10.7.4 If, during any fifteen (15) consecutive Gas Days, the Supplier delivers an amount less than 70% of the sum of the ATVs of the Aggregation Pool in said Gas Days, the Company may declare the Supplier ineligible to nominate Gas for the following thirty (30) Gas Days. The Supplier shall have the opportunity to cure the imbalance with the demonstration of verifiable imbalance trades or otherwise within twenty-four (24) hours of notification by the Company. If the Supplier is declared ineligible to nominate Gas for such 30 Gas Days, the Supplier may be reinstated at the end of the 30 Gas Days, provided it posts security equal to the product of: (1) the Supplier's estimated maximum aggregate daily Gas Usage of its Customers in the Aggregation Pool expressed in MMBtu and (2) \$300. If, within twelve (12) months of the first offense, such Supplier is declared ineligible to nominate Gas pursuant to this Section, the Supplier will be disqualified from service under this tariff for one (1) full year from the time of the second disqualification. If the Supplier defaults on its obligation under this tariff, the Company shall have the right to use such security to satisfy the Supplier's obligations. Such security may be used by the Company to secure Gas transportation, storage, and to cover other related costs incurred as a result of the Supplier's default. The security may also be used to satisfy any outstanding claims that the Company may have against the Supplier including imbalance charges, cash-out charges, pipeline penalty charges, and other charges.

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Allocators for each class of Customers billed under the Company's Rate Schedule shall be set forth annually in Attachment F to this tariff.

11.3.8 The Company shall determine the pro-rata share of Seasonal Storage Capacity assignable to a Supplier on behalf of a Customer consistent with the tariffs governing the associated Storage Withdrawal Capacity.

11.3.9 The Company shall determine the pro-rata shares of Peaking Supply assignable to a Supplier in accordance with Section 14 of this tariff.

11.4 Capacity Assignments

11.4.1 On each Assignment Date, the Company will assign to the Supplier the pro-rata shares of Capacity on behalf of each Customer as determined by the Company in accordance with Sections 11.2, 11.3 and 11.7.

11.4.2 The total amount of Pipeline Capacity, Storage Withdrawal Capacity, and Peaking Capacity assigned to the Supplier on behalf of the Customers in an Aggregation Pool shall be at least equal to the cumulative sum of the pro-rata shares of Pipeline Capacity, Storage Withdrawal Capacity, and Peaking Capacity for all Customers enrolled in said Aggregation Pool as of Five (5) Business Days prior to the Assignment Date.

11.4.3 Storage Withdrawal Capacity shall be subject to Operational Flow Orders that are issued by the Company pursuant to Section 16 of this tariff, in the event that the Company requires the Supplier to deliver or to store quantities of Gas for the purposes of managing system imbalances and maintaining Delivery Service. Whenever the Company assigns incremental Storage Withdrawal Capacity to the Supplier, the Company shall also assign to that Supplier additional Seasonal Storage Capacity pursuant to Section 11.8.

11.4.4 The Peaking Capacity assigned to the Supplier shall establish the Maximum Daily Peaking Quantity ("MDPQ") for the Aggregation Pool in the Supplier's Service Agreement. In the event that the Company increases a Supplier's MDPQ, the Company shall also assign to that Supplier additional Peaking Supply pursuant to Section 14.

11.4.5 The Company shall execute Capacity assignments in increments of 200 MMBtus. The Supplier shall accept an initial increment of Capacity on the first Assignment Date when the sum of the pro-rata shares of Capacity assigned to the Supplier pursuant to Section 11.4.

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exceeds 150 MMBtus. The Supplier shall accept additional increments of Capacity on the following Assignment Dates commensurate with any cumulative increase in the sum of pro-rata shares of Capacity assigned to the Supplier, as rounded to the nearest 200 MMBtus. Each increment of Capacity accepted by the Supplier shall comprise Pipeline Capacity, Storage Withdrawal Capacity, and Peaking Capacity in proportion to the cumulative increase of the pro-rata shares of assigned Capacity as established in accordance with Section 11.4.1. Section 11.4.2 shall not apply to a Customer that is acting as its own Supplier.

- 11.4.6 If a Customer is acting as its own Supplier, the Company shall assign Capacity to the Customer in an amount equal to the Customer's TCQ, as established pursuant to Section 11.3.

11.5 Release of Contracts

- 11.5.1 With the exception of Company-Managed Supplies and Peaking Capacity, Capacity contracts shall be released by the Company to the Supplier, at the maximum tariff rate or lesser rate paid by the Company and including all surcharges, through pre-arranged Capacity releases pursuant to applicable laws and regulations and the terms of the governing tariffs.
- 11.5.2 Capacity contracts released to a Supplier on an Assignment Date shall be released for a term beginning on the first Gas Day of the Month following the Assignment Date through the expiration date of the respective capacity contract being assigned. and ending on October 31. For example, contracts assigned to a Supplier on April 25 of a given year shall be released for a term beginning on May 1 of that year and ending on October 31 of that year.
- 11.5.3 The Company reserves the right to adjust releases of Storage Withdrawal Capacity in the event that fifty percent (50%) or more of the total Storage Withdrawal Capacity serving the Gas Service Area has been assigned to Suppliers. Such adjustments may include, but are not limited to, the reassignment of certain Storage Withdrawal Capacity as Company-Managed Supplies in order for the Company to maintain operational control over Capacity resource associated with system balancing, and/or the retention of specific Capacity resource associated with system balancing and the implementation of a balancing charge to offset the associated costs.

11.6 Annual Reassignment of Capacity

- 11.6.1 On each Annual Reassignment Date, the Company shall adjust the Capacity assignment previously made to a Supplier to conform with the Company's resource and requirement plans. Such previously assigned Capacity shall be replaced by the assignment to the Supplier.

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of the pro-rata shares of the same or similarly situated Capacity on behalf of the Customers enrolled in the Supplier's Aggregation Pools (as of the first Gas Day of the Month following the Annual Reassignment Date).

- 11.6.2 If the reassignment of Storage Withdrawal Capacity requires adjustments to the Seasonal Storage Capacity previously assigned to a Supplier, the Company shall reassign Seasonal Storage Capacity to such Supplier, and the Company and the Supplier shall address any associated increments and decrements to inventories in place pursuant to Section 11.8 of this tariff.
- 11.6.3 If the reassignment of Peaking Capacity requires adjustments to the MDPQ for the Supplier's Aggregation Pool, the Company shall reassign Peaking Supply to such Supplier, and the Company and the Supplier shall address any associated increments and decrements to supplies pursuant to Section 14 of this tariff.

11.7 Recall of Capacity

11.7.1 If the pro-rata shares of Capacity assignable to a Supplier decline because one or more of the Supplier's Customers has returned to Sales Service, the Company shall have the right, but not the obligation, to recall from the Supplier the pro-rata shares of Capacity previously assigned to the Supplier on behalf of such Customers. The decision on whether to exercise its Capacity-recall rights shall be made by the Company in its sole reasonable discretion. If the Company elects to recall Capacity from a Supplier pursuant to this Section, such recall shall be made on the Assignment Date following the effective date of the Customer's return to Sales Service. Notwithstanding the foregoing, in the following circumstances the Company shall be required to recall Capacity associated with Customers returning to Sales Service:

- (a) The Supplier returning the Customers to Sales Service certifies that it is ceasing all business operations in New Hampshire;
- (b) The Supplier returning the Customers to Sales Service certifies that it will no longer offer service to a particular market sector (e.g., small commercial and industrial Customers) and, therefore, once such Customers are returned to Sales Service, the Supplier is not eligible to re-enroll Customers of that type or

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- (c) The Supplier demonstrates that it has provided Supplier Service to the Customer for a 12-month period, and for a period of no less than any 12 month increment, prior to the Customer's return to Sales Service.

11.7.2 If the Company elects to recall Storage Withdrawal Capacity from the Supplier pursuant to this Section, the Company shall reduce the Seasonal Storage Capacity associated with the affected Aggregation Pool in accordance with Section 11.8 of this tariff. If the Company elects to reduce the MDPQ in the Supplier Service Agreement, the Company shall reduce the Peaking Supply associated with the affected Aggregation Pool in accordance with Section 14 of this tariff.

11.7.3 In the event that a Customer in a Supplier's Aggregation Pool switches to another Supplier the Company shall recall from the former Supplier said Customer's pro-rata shares of Capacity for reassignment to the new Supplier pursuant to Section 11.4. There shall be no change in the Customer's TCQ used to determine the Customer's pro-rata shares of Capacity for reassignment to the new Supplier. The recall of such Capacity from the Customer's former Supplier and the assignment of Capacity to the new Supplier shall be made on the Assignment Date following the effective date of the Customer's switch in Suppliers.

If the Company recalls Storage Withdrawal Capacity from the Customer's former Supplier the Company shall reduce the Seasonal Storage Capacity associated with the affected Aggregation Pool in accordance with Section 11.8 of this tariff. If the Company reduces the MDPQ in the Customer's former Supplier's Service Agreement, the Company shall also reduce the Peaking Supply associated with the affected Aggregation Pool in accordance with Section 14 of this tariff.

11.7.4 The recall of Capacity by the Company shall entail the recall of released contracts pursuant to governing tariffs and/or the reduction in assigned quantities set forth in the Supplier Service Agreement. The recall of Capacity shall be executed in decrements of 200 MMBtus commensurate with the cumulative reduction in the pro-rata shares of Capacity assigned to the Supplier, rounded to the nearest 200 MMBtus. Each decrement of Capacity assigned to the Supplier shall comprise Pipeline Capacity, Storage Withdrawal Capacity, and Peaking Capacity in proportion to the cumulative decrease in the pro-rata shares of Capacity recalled from the Supplier.

11.7.5 In the event that a Supplier is declared ineligible to nominate Gas for thirty (30) Gas Days pursuant to Sections 9.6.6 or 10.7.4 of this tariff, the Company shall have the right to recall any or all Capacity assigned to said Supplier. If the Supplier is reinstated at the end of such 30 Gas Days, the Company shall reassign Capacity to the Supplier on the next Assignment

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Date pursuant to Sections 11.4 and 11.5. There shall be no change in the TCQ values used to determine the Supplier's Customers' pro-rata shares of Capacity for reassignment.

11.7.6 In the event that a Supplier is disqualified from service for a one (1) full year pursuant to Sections 9.6.6 or 10.7.4 of this tariff, the Company shall have the right to recall any or all Capacity assigned to said Supplier. If the Supplier is reinstated at the end of such period, the Company shall reassign Capacity to the Supplier on the next Assignment Date pursuant to Sections 11.4 and 11.5. There shall be no change in the TCQ values used to determine the Supplier's Customers' pro rata shares of Capacity reassignments.

11.7.7 In the event that the Supplier fails to meet the applicable registration and licensing requirements established by law or regulation, fails to satisfy the requirements and practices as set forth in Section 20.3 of this tariff, fails to be and remain an approved shipper on the upstream pipelines and underground storage facilities on which the Company will assign capacity, fails to make timely payment under the assigned contracts, or fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement, the Company shall have the right to recall permanently any or all Capacity assigned to said Supplier. This section shall also apply to a Customer acting as its own Supplier

11.7.8 The Supplier shall forfeit its rights to Capacity recalled by the Company pursuant to this Section. Such forfeiture shall be effected in accordance with applicable laws and regulation and the governing tariffs. In the event of Capacity forfeiture pursuant to this Section, the Supplier shall be responsible to compensate the Company for any payments due under the contracts prior to forfeiture, as well as any interest due thereon. The Company will not exercise discretion in the application of the forfeiture provisions of this Section. This section shall also apply to a Customer acting as its own Supplier.

11.8 Seasonal Storage Capacity

11.8.1 On each Assignment Date, the Company shall release Seasonal Storage Capacity to Supplier that accepts the assignment of Storage Withdrawal Capacity pursuant to Section 11.4. The Company shall assign such Seasonal Storage Capacity consistent with the tariff governing the release of the associated Storage Withdrawal Capacity.

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- 11.8.2 If the Company assigns Seasonal Storage Capacity to a Supplier pursuant to Section 11.8.1 above, the Company shall transfer in-place Gas inventories to the Supplier. The quantity of inventories to be transferred from the Company to the Supplier shall be determined by multiplying the incremental Seasonal Storage Capacity assigned to the Supplier on the Assignment Date times the applicable storage inventory percentage described in Section 11.8.5. The Supplier shall be charged the Company's weighted average cost of inventories in off-system storage facilities for each Dekatherm transferred from the Company to the Supplier. The Company shall communicate, by electronic means as determined by the Company or, in the event of failure of such electronic means, by facsimile or other agreeable alternative means, the Company's weighted average cost of inventories, by Gas Service Area, at least two Business Days prior to each Assignment Date.
- 11.8.3 In the event that the Company recalls Storage Withdrawal Capacity from the Supplier pursuant to Section 11.7, the Company shall also recall Seasonal Storage Capacity from the Supplier. The Company shall determine the total Seasonal Storage Capacity to be recalled from the Supplier in accordance with the tariffs governing the Storage Withdrawal Capacity returned to the Company.
- 11.8.4 If the Company recalls Seasonal Storage Capacity from a Supplier pursuant to Section 11.8.3, the Supplier shall transfer in-place Gas inventories to the Company. The quantity of inventories to be transferred from the Supplier to the Company shall be determined by multiplying the decremental Seasonal Storage Capacity times the applicable storage inventory percentage described in Section 11.8.5. The Supplier shall be reimbursed at the Company's weighted average cost of inventories in off-system storage facilities as of the Assignment Date, for each Dekatherm transferred from the Supplier to the Company. The Company shall communicate, by electronic means as determined by the Company or, in the event of failure of such electronic means, by facsimile or other agreeable alternative means, the Company's weighted average cost of inventories, by Gas Service Area, at least two (2) Business Days prior to each Assignment Date.
- 11.8.5 Seasonal storage inventory percentages shall represent the amount of Seasonal Storage Capacity in each assigned storage resource that is assumed to be filled with inventories as of the first Gas Day of the month following the Assignment Date. Each September, the Company shall communicate, by electronic means as determined by the Company or, in the event of failure of such electronic means, by facsimile or other agreeable alternative means, the storage inventory percentages for each resource that shall be applied to incremental or decremental Seasonal Storage Capacity assignments executed on each of the twelve (12) Assignment Dates beginning in October.

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11.9 Company-Managed Supplies

- 11.9.1 The Company shall provide access to and ascribe cost responsibility for the pro-rata shares of certain Capacity contracts including Canadian, Federal Energy Regulatory Commission 15 U.S.C. § 717(c) or Section 7(c) [Part 157 of the FERC regulations (18 C.F.R. part 157)] and other contracts that are not assignable to third-parties.
- 11.9.2 The Supplier's Service Agreement shall set forth the quantity of each Company-Managed Supply assigned to the Supplier pursuant to Sections 11.4 and 11.8.
- 11.9.3 The Company shall notify the Supplier of the conditions and/or restrictions on the use of Company-Managed Supplies pursuant to the tariffs governing the resources.
- 11.9.4 The Company shall invoice the Supplier for its pro-rata shares of the demand charges for Capacity contracts assigned to the Supplier as Company-Managed Supplies. The Company shall also flow through to the Supplier all costs, including Supply costs, incurred from the utilization of Company-Managed Supplies on behalf of the Supplier.
- 11.9.5 The Company shall nominate quantities to the Transporting Pipeline and/or other interstate pipelines and off-system storage operators on behalf of Suppliers to which the Company has assigned Company-Managed Supplies, provided that the requested Nomination conform to the tariffs governing the resource. The Supplier shall communicate its desired Nomination quantities to the Company subject to the provisions in Sections 9.3 and 10.3 of this tariff.

11.10 Capacity Mitigation Service

- 11.10.1 Capacity Mitigation Service is available to Suppliers that have been assigned Capacity pursuant to Section 11 of this tariff. Such Suppliers shall have the option to take Capacity Mitigation Service from the Company for contracts that would otherwise be released to the Supplier in accordance with this tariff.
- 11.10.2 Within five (5) Business Days prior to the Annual Reassignment Date, the Supplier must designate those contracts that would otherwise be released to the Supplier pursuant to Section 11.5, as contracts to be managed by the Company for cost mitigation in accordance with the Company's Capacity Mitigation Service. Such designation will be effective for the period November 1 through October 31. Such notice shall be communicated in accordance with the Supplier's Service Agreement.

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- 11.10.3 The Supplier shall pay to the Company the maximum-tariff rate or lesser rate paid by the Company, including all surcharges, for the Capacity contracts that are retained and managed by the Company. The Company shall bill the Supplier monthly for such charges.
- 11.10.4 The Company will market Capacity contracts designated by Suppliers for mitigation through the Capacity Mitigation Service. The Supplier shall receive a credit on its bill for Capacity Mitigation Service equal to the pro-rata share of the proceeds earned from the Company in exchange for such contract management. Such credit shall be determined on a contract-specific basis at the end of each Month and will be included in the bill sent to the Supplier in the following Month.

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12 BILLING AND SECURITY DEPOSITS

12.1 The Customer shall be responsible for all charges for service furnished by the Company under the Company's applicable rates, as filed from time to time with the NHPUC, from the time service is commenced until it is terminated. The Company shall provide a single bill, reflecting unbundled charges, to Customers for Sales Service.

12.2 The Company shall offer two billing service options to Customers taking only Delivery Service standard complete billing service and standard passthrough billing service. The Supplier shall inform the Company of the selected billing option in accordance with the provisions set forth in Section 20.5

12.2.1 Standard Complete Billing Service

The Customer shall receive a single bill from the Company for both Delivery Service and Supplier Service. The Company shall use the rates supplied by the Supplier to calculate the Supplier's portion of the single bill and integrate this billing within a single mailing to the Customer. The Company may charge a fee to the Supplier for providing this billing service as approved by the NHPUC.

The Supplier shall adhere to the Customer classes and rate structure as specified in the Company's then current Rate Schedule on file with and approved by the NHPUC. The Company shall reasonably accommodate, at the Supplier's expense, different Customer classes or rate structures as agreed to by the Company and the Supplier in the Supplier Service Agreement.

The Company shall provide an electronic file to the Supplier that will, in addition to the usage being billed, contain the calculated Supplier billing amounts for the current billing cycle. Customer revenue due the Supplier shall be transferred to the Supplier in accordance with the Supplier Service Agreement. Upon receipt of Customer payments, the Company shall provide a file for the Supplier summarizing all revenue from Supplier sales which have been received and recorded that day.

If a Customer pays the Company less than the full amount billed, the Company shall apply the payment first to Delivery Service, and if any payment remains, it shall be applied to Supplier Service.

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12.2.2 Standard Passthrough Billing Service

The Customer taking Delivery Service shall receive two (2) bills: the Company shall issue one bill for Delivery Service and the Supplier shall issue a second bill for Supplier Service.

The Supplier shall be responsible for the collection of amounts due to the Supplier from the Customer. Customer payment responsibility with Suppliers shall be governed by the particular Customer/Supplier contract.

Within three (3) Business Days following the end of the Customer's billing cycle, the Company shall provide an electronic file for the Supplier that will contain the Customer's usage being billed including the current and previous meter readings.

- 12.3 The Company shall inform a Customer when Supplier Service has been initiated by a Supplier along with information on how the Customer may file a complaint regarding an unauthorized initiation of Service. This information shall be included on the first bill rendered to the Customer after such initiation.
- 12.4 A Customer acting as its own Supplier will be subject to the billing and payment requirements in Section 20.8 of this tariff.
- 12.5 Readings taken by an automated meter reading device will be considered actual readings for billing purposes.

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13 SALES SERVICE

- 13.1 Sales Service is the Commodity service provided by the Company for Customers not electing to subscribe to Supplier Service and shall be provided by the Company, or its designated Supplier, in accordance with this tariff. Each Customer receiving Sales Service shall receive one bill from the Company reflecting delivery and Commodity charges.
- 13.2 A Customer receiving Sales Service on March 14, 2000 shall continue to receive Sales Service unless the Customer elects to take Supplier Service and until such time that Supplier Service is initiated for the Customer in accordance with Section 20.5 of this tariff. If the Customer terminates Supplier Service, if a Supplier terminates service to the Customer, or if the Customer's designated Supplier becomes ineligible to serve the Customer pursuant to Sections 9.6.6, 10.7.4, or 20.3 of this tariff, the Company will provide Sales Service to the Customer. Pursuant to Section 20.5 of this tariff, the Company will initiate Sales Service for the Customer and will provide Sales Service to the Customer until such time that Supplier Service is initiated for the Customer by a new Supplier.
- 13.3 Any Customer whose Supplier has been assigned Capacity on behalf of said Customer pursuant to Section 11 of this tariff may elect to return to Sales Service if the Customer is no longer receiving Supplier Service. If necessary, the Company will initiate Sales Service for the Customer pursuant to Section 20.5 of this tariff and will provide the Customer with Sales Service until such time that Supplier Service is initiated for the Customer by a new Supplier. The Company will provide Sales Service to said Customer up to a maximum daily level of Gas Usage not to exceed the Total Capacity Quantity ("TCQ") of recallable Capacity assigned to the Customer's former Supplier.
- 13.4 In the event that a Supplier that has been assigned Capacity on behalf of a Customer pursuant to Section 11 of this tariff terminates Supplier Service to the Customer, the Customer may select another Supplier. If necessary, the Company will initiate Sales Service for the Customer pursuant to Section 20.5 of this tariff and will provide the Customer with Sales Service until Supplier Service is initiated for the Customer by a new Supplier. The Company will provide Sales Service to the Customer up to a maximum daily level of Gas Usage not to exceed the TCQ of recallable Capacity assigned to the Customer's former Supplier.
- 13.5 In the event that a Supplier that has been assigned Capacity on behalf of a Customer pursuant to Section 11 of this tariff becomes ineligible to serve the Customer pursuant to Sections 9.6.6, 10.7.4, or 20.3 of this tariff, the Company will provide the Customer with Sales Service up to a maximum daily level of Gas Usage not to exceed the TCQ of recallable Capacity assigned to the Customer's former Supplier.

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- 13.6 The Company shall be under no obligation to provide Sales Service to a Customer at a maximum daily level in excess of the TCQ of recallable Capacity assigned to a Supplier on behalf of the Customer. The Company may elect to provide Sales Service to the Customer if, and to the extent that, adequate system Capacity and Supplies are available and upon the same terms and subject to the same conditions as any new Customer seeking to take Sales Service.

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14 PEAKING SERVICE

14.1 Applicability

Section 14 of this tariff applies to all Suppliers, and to all Customers acting as their own Supplier that have been assigned, or have elected to be assigned, Capacity on behalf of themselves or Customers in their Aggregation Pools pursuant to Section 11 of this tariff.

14.2 Character of Service

14.2.1 Peaking Service shall be provided by the Company subject to an executed Supplier Service Agreement that sets forth the Maximum Daily Peaking Quantity ("MDPQ") and the assigned Peaking Supply for each of the Supplier's Aggregation Pools.

14.2.2 The Company shall provide quantities of Gas, at the Supplier's request, from the Supplier's Peaking Service Account as established in accordance with Section 14.4. Such quantities shall be deemed delivered by the Company and received by the Company at the Designated Receipt Point(s) for the Aggregation Pool. Peaking Service shall be firm and available to the Supplier each Gas Day in accordance with the balance of the Supplier's Peaking Service Account and the parameters of the Company's Peaking Service Rule Curve.

14.3 Rates and Charges

14.3.1 The applicable rates for Peaking Service shall be established in the Company's tariff. The Supplier shall pay a peaking demand charge based on its MDPQ of assigned Peaking Capacity as billed by the Company for the Peak Season. Such unit demand charge shall be equal to the total Capacity costs and other fixed costs associated with the Company's peaking resources, excluding costs collected through Delivery rates, divided by the estimated peaking resources needed to meet the Company's total system Peak Day requirement.

14.3.2 The Supplier shall pay a Commodity charge equal to the estimated weighted average cost of peaking supplies, including fuel retention and carrying charges. The Company shall communicate electronically, by facsimile or by other agreeable alternative means the Company's estimated weighted average cost of peaking supplies by the 15th of the month preceding the next Assignment Date. The Commodity charge will be multiplied by the volumes of Peaking Service Gas nominated by the Supplier during each Month.

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14.4 Peaking Supply

- 14.4.1 The Customer's portion of the Peaking Supply that shall be assigned to the Supplier on behalf of the Customer shall be equal to the Peaking Supply multiplied by the ratio of Customer's MDPQ to the aggregate MDPQ of the total system.
- 14.4.2 On each Assignment Date, the Company shall assign Peaking Supply to a Supplier whose MDPQ has been increased pursuant to Section 11.4. If the Company assigns incremental Peaking Supply to a Supplier, the Company shall credit the balance of the Supplier's Peaking Service Account for volumes available through October 31 in accordance with the Peaking Service Rule Curve. The amount credited to the Supplier's Peaking Service Account shall be determined by multiplying the incremental Peaking Supply by the peaking inventory percentage described in Section 14.4.5.
- 14.4.3 On each Assignment Date, the Company shall recall Peaking Supply from a Supplier whose MDPQ has been decreased pursuant to Section 11.7. The Company shall determine the Supplier's total Peaking Supply for recall to be equal to the difference between the cumulative total Peaking Supply assigned to the Supplier as of the previous Assignment Date and the total Peaking Supply that is assignable to the Supplier in accordance with Section 14.4.1 above.
- 14.4.4 If the Company recalls Peaking Supply from a Supplier pursuant to Section 14.4.3, the Company shall debit the balance of the Supplier's Peaking Service Account for volumes available through October 31 in accordance with the Peaking Service Rule Curve. The amount debited from the Supplier's Peaking Service Account shall be determined by multiplying the decremental Peaking Supply by the peaking inventory percentage described in Section 14.4.5.
- 14.4.5 The peaking inventory percentage shall represent the level of Peaking Supply assumed to be available to a Supplier in its Peaking Service Account as of the first Gas Day of the Month following the Assignment Date for incremental and decremental assignments of Peaking Supply. Each September, the Company shall communicate electronically, by facsimile or by other agreeable alternative means the Peaking Inventory Percentages that shall be applicable to incremental or decremental Peaking Supply assignments executed on each of the two (2) Assignment Dates beginning in October.
- 14.4.6 On each Annual Reassignment Date, the Company shall reset the balance in the Supplier's Peaking Service Account to equal the total Peaking Supply assignable to the Supplier on behalf of Customers enrolled in its Aggregation Pool (as of the first Gas Day of the Month).

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following the Annual Reassignment Date) as determined in accordance with Section 14.4.1 above.

14.5 Nomination of Peaking Service

14.5.1 The Supplier shall nominate with the Company the quantity of Peaking Supply, not in excess of the amount determined pursuant to Section 14.4.2, that the Supplier desires to be provided from its Peaking Service Account for the applicable Gas Day. For an Aggregation Pool of Customers taking daily metered Delivery Service, the notice given by the Supplier to the Company for an applicable Gas Day shall be made in accordance with Section 9.3 of this tariff. For an Aggregation Pool of Customers taking non-daily metered Delivery Service, the notice given by the Supplier to the Company for an applicable Gas Day shall be made in accordance with Section 10.3 of this tariff.

14.5.2 In response to a valid Nomination for Peaking Service, the Company shall provide the requested quantity of Gas, which shall be deemed to be delivered by the Company and received by the Company at the Designated Receipt Point(s) of the Supplier's Aggregation Pool, subject to the limitations herein. Nominated quantities shall be included in the determination of receipts at the Designated Receipt Point(s) for the Supplier's Aggregation Pool which factors into the daily balancing provisions set forth in this tariff.

14.5.3 The Company may reject a Supplier's Nomination for Peaking Service if the nominated quantity would cause the balance of the Supplier's Peaking Service Account to fall to a level that is 10% or more below the minimum allowable account balance for the Month in which the Nomination is requested, as computed in accordance with the Peaking Service Rule Curve. Under such circumstances, the Company shall require the Supplier to nominate the pipeline and/or storage resources, within the contract entitlements assigned to the Supplier under Section 11, required to maintain the Supplier's Peaking Service Account above the minimum allowable account balance described above. The balance of the Supplier's Peaking Service Account may not in any event fall below zero (0).

14.5.4 The Company shall provide Peaking Service supplies to the Supplier only when the volume in the Peaking Service Account for the Aggregation Pool are greater than zero (0).

14.6 Peaking Service Critical Day Provisions

14.6.1 In the event that the volumes in a Supplier's Peaking Service Account for an Aggregation Pool are reduced to a level below the minimum allowable account balance as computed in

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accordance with the Company's Peaking Service Rule Curve, the Company may issue an OFO to such Supplier pursuant to Section 16 of this tariff.

14.6.2 In the event that the total volumes of all Peaking Service Accounts within one or more of the Company's Gas Service Areas are reduced to levels below the total minimum allowable account balances as computed in accordance with the Company's Peaking Service Rule Curve, the Company may declare a Critical Day and issue a blanket OFO pursuant to Section 16 of this tariff.

14.6.3 If, on a Critical Day, the Company projects, based on the Supplier's Nominations, that the Supplier's scheduled deliveries to the Designated Receipt Point(s) of an Aggregation Point are less than the maximum feasible volumes for deliveries on the Transporting Pipeline, the Company may issue an OFO to the Supplier in accordance with Section 16 of this tariff.

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15 DISCONTINUANCE OF SERVICE

- 15.1 The Company shall notify a Customer's Supplier of record that it has initiated any applicable billing and termination procedures as prescribed by the NHPUC. In the event that the Company discontinues Delivery Service to a Customer in accordance with the provisions set forth above, the Company shall provide electronic notification to the Customer's Supplier of record upon final billing to the Customer. The Company shall not be liable for any revenue loss to the Supplier as a result of any such disconnection.

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16 OPERATIONAL FLOW ORDERS AND CRITICAL DAYS

- 16.1 In the event of a material and significant threat to the operational integrity of the Company's system, the Company may declare a Critical Day.
- 16.2 Circumstances constituting a threat to the operational integrity of the system that may cause the Company to declare a Critical Day shall include, but not be limited to: (1) a failure of the Company's distribution, storage, or production facilities; (2) near-maximum utilization of the Company's distribution, storage, production, and Supply resources; (3) inability to fulfill firm service obligations; and (4) issuance of an OFO or similar notice by upstream transporters. A Critical Day may not be declared on all or a portion of the system for the purpose of maintaining Interruptible Delivery Service on that portion of the system, but interruptible Gas may flow at times or on portions of the system when such flow would not violate any operational control restrictions or provisions of this tariff.
- 16.3 In the event that the Company has declared a Critical Day, the Company will have the right to issue an Operational Flow Order ("OFO") in which the Company may instruct Suppliers to take such action as conditions require, including, but not limited to, diverting Gas to or from the Company's distribution system, within the contract entitlements, if any, assigned to the Supplier under Section 11 hereof. An OFO may be issued on a pipeline or point-specific basis. An OFO may be issued by the Company as a blanket order to all Suppliers or to an individual Supplier whose actions are determined by the Company to jeopardize system integrity. The Company may issue an OFO to an individual Supplier if the Company faces Gas cost exposure in excess of daily cashout or imbalance penalties as set forth in Sections 9.6, 9.7, 10.6, and 10.7 for any under-deliveries or over-deliveries caused by that Supplier.
- 16.4 The Company will provide the Supplier with as much notice as is reasonably practicable of the issuance and removal of a Critical Day or an OFO; under most circumstances, the Company intends to provide at least twenty-two (22) hours notice prior to the start of the Gas Day for the issuance of the Critical Day or OFO. Notification of the issuance and removal of a Critical Day or an OFO will be made by means as established in the Supplier Service Agreement. The Supplier will be responsible for coordinating with its Customers any change to the Customer's quantity of Gas Usage. An OFO or Critical Day will remain in effect until its removal by the Company.
- 16.5 All quantities of Gas over-delivered or under-delivered to the Company's system in violation of an OFO will be subject to the Critical Day provisions of Sections 9.6 and 10.6 of this tariff.

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17 FORCE MAJEURE AND LIMITATION OF LIABILITY

- 17.1 Neither the Company nor the Supplier will be liable to the other for any act, omission, or circumstance occasioned by or in consequence of any event constituting force majeure, and unless it is otherwise expressly provided herein, the obligations of the Company and the Supplier then existing hereunder will be excused during the period thereof to the extent affected by such event of force majeure provided that reasonable diligence is exercised to overcome such event. As used herein, force majeure will mean the inability of the Company or the Supplier to fulfill its contractual or regulatory obligations: as a result of compliance by either party with an order, regulation, law, code, or operational standard imposed by a governmental authority; by reason of any act of God or public enemy; by reason of storm, flood, fire, earthquake, explosion, civil disturbance, labor dispute, or breakage or accident to machinery or pipeline (which breakage or accident is not the result of the negligence or misconduct of the party claiming force majeure); by reason of any declaration of force majeure by upstream Transporting Pipelines; or by reason of any other cause, whether the kind enumerated herein or otherwise, not within the control of the party claiming force majeure and which by the exercise of reasonable diligence such party is unable to prevent or overcome. Notwithstanding the foregoing, the Customer's and the Supplier's obligation to make any payments required under this tariff will in no case be excused by an event of force majeure. Nor will a failure to settle or prevent any labor dispute or other controversy with employees or with anyone purporting or seeking to represent employees be considered to be a matter within the control of the party claiming excuse. The party claiming force majeure will, on request, provide the other party with a written explanation thereof and of the remedy being undertaken.
- 17.2 The Company shall be liable only for direct damages resulting from the Company's conduct in its business when the Company, its employees, or agents have acted in a negligent or intentional or wrongful manner. In no event shall the Company be liable to any party for any indirect, consequential or special damages, whether arising in tort, contract, or otherwise, by reason of any service performed, or undertaken to be performed, or actions taken by the Company, or its agents or employees, under this tariff or in accordance with or required by law, including, without limitation, termination of the Customer's service.
- 17.3 If the Company is unable to render firm Delivery Service to the Customer taking such service contemplated by this tariff as a result of force majeure and such inability continues for a period of thirty (30) Gas Days, the Customer may provide written notice to the Company of its desire to terminate Delivery Service at the expiration of thirty (30) Gas Days from the Company's receipt of such notice, but no sooner than sixty (60) Gas Days following the outset of the force majeure. If the Company has not restored Delivery Service to the Customer at the end of such notice period, the

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Customer's Delivery Service will terminate and both parties will be released from further performance hereunder, except for obligations to pay sums due and owing as of the date of termination.

- 17.4 The Company and the Supplier shall indemnify and hold the other and their respective affiliates, and the directors, officers, employees, and agents of each of them (collectively, "affiliates") harmless from and against any and all damages, costs (including attorney's fees), fines, penalties, and liabilities, in tort, contract, or otherwise (collectively, "liabilities"), resulting from claims of third parties arising or claimed to have arisen, from the acts or omissions of either party in connection with the performance of the indemnifying party's obligations under this tariff. The Company and the Supplier shall waive recourse against the other party and its affiliates for or arising from the non-negligent performance by such other party in connection with the performance of its obligations under this tariff.

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18 CURTAILMENT

- 18.1 Whenever the integrity of the Company's system or the Supply of the Company's Customers taking Sales Service or Delivery Service is believed to be threatened by conditions on its system or upon the systems with which it is directly or indirectly interconnected, the Company may, in its sole reasonable judgment, curtail or interrupt Gas service or reduce pressure as set out in Section 19, Supply and Capacity Shortage Allocation Policy of this tariff. Such action shall not be construed to constitute default nor shall the Company be liable therefor in any respect. The Company will use effort reasonable under the circumstances to overcome the cause of such curtailment, interruption, or reduction and to resume full performance.
- 18.2 The Company shall communicate notice of curtailment as soon as practicable to the Suppliers and affected Customers by means as specified in the Supplier Service Agreement.
- 18.3 The Company shall take reasonable care in providing regular and uninterrupted service to its firm Customers, but whenever the Company deems that the situation warrants any interruption or limitation in the service to be rendered, such interruption or limitation shall not constitute a breach of the contract and shall not render the Company liable for any damages suffered thereby by any person, or excuse the Customer from further fulfillment of the contract.
- 18.4 If the Company is required to curtail or interrupt service due to capacity constraints, the Company's Interruptible Delivery Service shall have a priority subordinate to the Company's firm Delivery Service and Sales Service Customers.
- 18.5 In any case where the Company determines in its judgment that a curtailment or interruption of firm services is necessary, the Company will curtail and/or interrupt firm Delivery Service and Sales Service Customers on a nondiscriminatory basis.

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19 TAXES

- 19.1 In the event a tax of any kind is imposed or removed by any governmental authority on the distribution of Gas or on the gross revenues derived from the distribution of Gas at retail (exclusive, however, of taxes based on the Company's net income), the rate for service herein stated will be adjusted to reflect said tax. Similarly, the effective rate for service hereunder will be adjusted to reflect any refund or imposition of any surcharges or penalties applicable to service hereunder which are imposed or authorized by any governmental or regulatory authorities.
- 19.2 The Customer will be responsible for all taxes or assessments that may now or hereafter be levied with respect to the Gas or the handling or subsequent disposition thereof after its delivery to the Delivery Point. However, if the Company is required by law to collect and/or remit such taxes, the Customer will reimburse the Company for all amounts so paid. If the Customer claims exemption from any such taxes, the Customer will provide the Company in writing its tax exemption number and other appropriate documentation. If the Company collected any taxes or assessments from the Customer and is later informed by the Customer that the Customer is exempt from such taxes, it shall be the Customer's responsibility to obtain any refund from the appropriate governmental taxing agency.
- 19.3 The Supplier will be responsible for all production, severance, ad valorem, or similar taxes levied on the production or transportation of the Gas before its delivery to the Designated Receipt Point. The Supplier will also be responsible for sales taxes imposed on Gas delivered for the Customer's account. However, if the Company is required by law to remit such taxes to the collecting authority, it will do so and invoice the Supplier for such taxes paid on the Supplier's behalf.

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20 SUPPLIER TERMS AND CONDITIONS

20.1 Applicability

The following terms and conditions shall apply to every Supplier providing Supplier Service in the State of New Hampshire, to every Customer doing business with said Suppliers, and to Customers acting as their own Supplier.

20.2 Obligations of Parties

20.2.1 Customer

Unless otherwise agreed to by the Company and the Customer, a Customer shall select one Supplier for each account at any given time. A Customer electing Supplier Service must provide the selected Supplier with its applicable Authorization Number. A Customer may choose only a Supplier who meets the terms described in Sections 20.2.3 and 20.3 below and who meets any applicable registration requirements established by law or regulation.

20.2.2 Company

The Company shall deliver Customer purchased Gas from the Designated Receipt Point to the Delivery Point in accordance with the service selected by the Customer pursuant to this tariff and, among other things, shall:

- (a) Provide Customer service and support, including call center functions, for service provided by the Company under this tariff;
- (b) Respond to service interruptions, reported Gas leaks, and to other Customer safety calls;
- (c) Handle connections, curtailments, and terminations for services provided by the Company under this tariff;
- (d) Read meters;
- (e) Submit bills to Customers for Delivery Service and if contracted by the Supplier, for Supplier Service in accordance with Section 12.2.1.

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- (f) Address billing inquiries for Delivery Service;
- (g) Answer general questions about Delivery Service;
- (h) Provide to Suppliers, on request, the data format and procedures for electronic information transfers and funds transfers;
- (i) Arrange for or provide Sales Service to the Customer at the request of the Customer in accordance with the Company's tariff; and
- (j) Provide information regarding, at a minimum, rate tariffs, billing cycles, Capacity assignment methods, and Consumption Algorithms.

20.2.3 Supplier

The Supplier shall act on behalf of the Customer to acquire Supplies and to deliver them to the Designated Receipt Point pursuant to the service selected by the Customer and the requirements of this tariff.

The Supplier is responsible for enrolling Customers pursuant to Section 20.5 of this tariff.

The Supplier must request, complete and sign a Supplier Service Agreement to act as a Supplier on the Company's system, satisfy the Supplier requirements and practices as set forth in Section 20.3 of this tariff, be and remain an approved shipper on the upstream pipelines and underground storage facilities on which the Company will assign Capacity, if any, under Section 11, and be and remain eligible to provide service to Customers in New Hampshire.

The Supplier is responsible for completing all transactions with the Company and for all applicable charges associated with Customer enrollment and changes in the Customer's service as set forth in Section 20.5 and Attachment D.

20.3 Supplier Requirements and Practices

- 20.3.1 The Company shall have the right to establish reasonable financial and non-discriminatory credit standards for qualifying Suppliers. Accordingly, in order to serve Customers on the Company's system, the Supplier shall provide the Company, on a confidential basis, with audited balance sheet and other financial statements, such as annual reports to shareholder and 10-K reports, for the previous three (3) years, as well as two (2) trade and two (2)

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banking references. To the extent that such annual reports to shareholders are not publicly available, the Supplier shall provide the Company with a comparable list of all corporate affiliates, parent companies, and subsidiaries. The Supplier shall also provide its most recent reports from credit reporting and bond rating agencies. The Supplier shall be subject to credit investigation by the Company. The Company shall review the Supplier's financial position periodically.

20.3.2 The Supplier shall also confirm in the Supplier Service Agreement that:

- (a) The Supplier is not operating under any chapter of bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any information creditors' committee agreement.
- (b) The Supplier is not aware of any change in business conditions which would cause a substantial deterioration in its financial conditions, a condition of insolvency, or the inability to exist as an ongoing business entity.
- (c) The Supplier has no delinquent balances outstanding for services previously provided by the Company, and the Supplier has paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
- (d) No significant collection lawsuits or judgments are outstanding which would materially affect the Supplier's ability to remain solvent as a business entity.
- (e) The Supplier's New Hampshire business advertising and marketing material conform to all applicable state and federal laws and regulations.

20.3.3 In the event the Supplier has not demonstrated to the Company's satisfaction that it has met the Company's credit evaluation standards, the Company shall require the Supplier to provide one of the following at the Maximum Financial Liability as calculated below:

- (a) Advance deposit;
- (b) Letter of credit;
- (c) Surety bond; or

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- (d) Financial guaranty from a parent company that meets the creditworthiness criteria.

The Company shall base the Supplier's maximum financial liability as two (2) times the highest month's aggregated Gas Usage of all Customers currently served by the Supplier at the highest Monthly Index in the preceding twenty-four (24) Months. This amount may be updated continuously, and a minimum, whenever the aggregated Gas Usage of all Customers served by the Supplier changes by more than 25%. The Supplier agrees that the Company has the right to access and apply the deposit, letter of credit, or bond to any payment of any outstanding claims that the Company may have against the Supplier, including imbalance charges, cash-out charges, pipeline penalty charges, and other amounts owed to the Company, or to secure additional Gas supplies, including payment of the costs of the Gas supplies themselves, the cost of transportation storage, and other related costs incurred in bringing those Gas supplies into the Company's system. The Supplier shall continue its obligation to maintain its financial security instrument until it has satisfied all of its outstanding claims with the Company. The Supplier's financial security as established above must be in place no later than five (5) Business Days prior to the first day of each calendar month in order for the Supplier to maintain its eligibility to provide service to Customers.

- 20.3.4 The Supplier shall warrant that it has or will have entered into the necessary arrangement for the purchase of Supplies which it desires the Company to transport to its Customers, and that it has or will have entered into the necessary upstream transportation arrangements for the delivery of these Gas supplies to the Designated Receipt Point.
- 20.3.5 The Supplier shall warrant to the Company that it has good title to or lawful possession of all Gas delivered to the Company at the Designated Receipt Point on behalf of the Supplier or the Supplier's Customers. The Supplier shall indemnify the Company and hold it harmless from all suits, actions, debts, accounts, damages, costs, losses, taxes, and expense arising from or out of any adverse legal claims of third parties to or against said Gas.
- 20.3.6 The Supplier shall be responsible for making all necessary arrangements and securing all required regulatory or governmental approvals, certificates, or permits to enable Gas to be delivered to the Company's system.

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20.3.7 By agreeing to provide service under this tariff, the Supplier acknowledges that adherence to any applicable law regarding unfair trade practices, truth in advertising law, or law of similar import is required. Any Supplier found by a court of competent jurisdiction to have willfully or repeatedly violated the New Hampshire Consumer Protection Act, N.H.R.S.A. Ch. 358-A; the Federal Trade Commission Telemarketing Sales Rules, 16 C.F.R. Part 310 or the regulations promulgated pursuant to the Federal Trade Commission Act, 15 U.S.C. § 45 (a) (1), may be suspended or disqualified from acting as a Supplier on the Company's system.

20.3.8 If the Supplier fails to comply with or perform any of the obligations on its part established in this tariff or in the Supplier Service Agreement (e.g., failure to deliver Gas or late payment of bills rendered or failure to execute a capacity assignment), the Company maintains the right to terminate the Supplier's eligibility to act as a Supplier on the Company's system. Written notice of such an intent to terminate the Supplier's eligibility shall be given to the Supplier, its Customers, and the NHPUC. Notification to the Supplier shall be via Registered U.S. Mail - Return Receipt Requested or other means of documented delivery. Upon issuance of such written notice, the Company shall have the right to terminate the Supplier's eligibility to act as a Supplier on the Company's system at the expiration of ten (10) Gas Days after the giving of such notice, unless within such ten (10) Gas Day period the Supplier shall remedy to the full satisfaction of the Company such failure. Termination of such Supplier eligibility for any such cause shall be a cumulative remedy as to the Company and shall not release the Supplier from its obligation to make payment of any amount or amounts due or to become due from the Supplier to the Company under the Company's applicable tariffs. Customers whose Supplier's deliveries have been terminated will be placed on Sales Service pursuant Section 13 of this tariff.

20.4 Access to Usage History and Current Billing Information

The Supplier shall be responsible for obtaining the necessary Authorization Number from each Customer prior to requesting the Company to release the Company's historic usage information specific to that Customer to such Supplier.

The Company shall be required to provide the most recent twelve (12) months of a Customer's historic usage data to a Supplier, provided that the Supplier has received the appropriate authorization as set forth above.

20.5 Enrollment, Cancellation, and Termination of Supplier Service

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20.5.1 The Supplier shall be responsible for obtaining the necessary Authorization Number for each Customer prior to initiating Supplier Service to the Customer.

20.5.2 The Supplier must provide the Company with the following minimum information in the Company's predetermined format prior to the commencement or termination of service by the Supplier pursuant to Section 20.5 of this tariff:

- (a) The Customer's name and current Authorization Number;
- (b) The name of the Supplier;
- (c) The Customer's billing option (for commencement of service);
- (d) The type of change in Supplier Service (e.g., commencement of service, termination of service, or cancellation of service due to the rescission of the agreement with the Supplier by the Customer); and
- (e) Any additional information reasonably required by the Company.

The Company shall determine whether each Customer's enrollment request provided by a Supplier is complete and accurate, and matches the Customer's account record. In the event that the enrollment request is incomplete, inaccurate, or does not match the Customer's account record, then the Company will notify the Supplier so that the Supplier can resolve any discrepancies.

20.5.3 A change in Supplier Service will normally be made on a monthly metering billing cycle basis, with changes taking effect on the date of the Customer's next scheduled meter read. Enrollment forms must be transmitted no less than ten (10) Business Days to the Customer's next scheduled meter read. If more than one Supplier submits a Supplier Service transaction for a given Customer during the monthly billing cycle, the first complete transaction that is received during the cycle shall be accepted. All other transactions shall be rejected. Rejected transactions may be resubmitted after the Customer's next scheduled meter read.

20.5.4 If the Supplier submits information to the Company to terminate Supplier Service for a Customer less than ten (10) Gas Days before the next scheduled meter read, Supplier Service shall be terminated on the date of the Customer's subsequent scheduled meter read. The Company shall confirm the termination date for Supplier Service.

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20.5.5 In those instances when a Customer who is receiving Supplier Service from an existing Supplier initiates such service with a new Supplier, the Company shall send the Supplier notice for the Customer's change in Supplier Service to the existing Supplier. To terminate Supplier Service with a Supplier and to initiate Sales Service, a Customer shall so inform the Company and the Supplier. Supplier Service shall be terminated on the date of the Customer's next scheduled meter read provided that the Company receives notice of such termination no less than ten (10) days in advance of the next scheduled meter read. When such notice is received by the Company in less than ten (10) days in advance of the next scheduled read, the termination shall be effective as of the date of the following scheduled read. The Company shall send the Customer's termination date for Supplier Service to the Supplier.

20.5.6 A Customer who moves within the Company's service territory shall have the opportunity to notify its existing Supplier that it seeks to continue Supplier Service with the Supplier. Upon such notification, the Supplier may enroll the Customer pursuant to the provisions set forth in this Section in order to initiate Supplier Service for the Customer at the new location. The Company shall make the necessary adjustments to the Supplier's affected Aggregation Pools, including but not limited to, changes to Designated Receipt Points, and quantities of Capacity for assignment, if any, pursuant to this tariff and the Supplier's Service Agreement with the Company. In the event that the existing Supplier does not enroll the Customer for Supplier Service at the new location, the Company shall arrange for or provide Sales Service to the Customer.

20.5.7 In those instances when a new Customer moves to the Company's service territory, the Customer's Supplier must enroll the Customer pursuant to the provisions set forth in this Section in order to initiate Supplier Service for the Customer. Otherwise, the Customer shall receive Sales Service in accordance with Section 13.

20.5.8 The Company may charge fees to the Supplier for processing the transactions described in this Section, as approved by the NHPUC. These fees are included in Attachment D.

20.6 Aggregation Pools

20.6.1 The aggregation of Customer accounts into an Aggregation Pool is limited by the Delivery Service of the respective Customers. Non-daily metered Customers subscribing to Delivery Service under Rate Schedules G-41, G-42, G-51 and G-52 must be aggregated

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a separate pool from Customers subscribing to daily metered service under Rate Sched G-43, G-53, G-54 and G-63.

20.6.2 Non-daily metered Customers taking Delivery Service pursuant to Section 10 of tariff shall be combined by a Supplier into a single Aggregation Pool within each of Company's designated Gas Service Areas.

20.6.3 Daily metered Customers taking Delivery Service pursuant to Section 9 of this tariff shall be combined by a Supplier into a single Aggregation Pool within each of Company's designated Gas Service Areas.

20.6.4 A separate Supplier account will be established for each Supplier Aggregation Pool.

20.6.5 The election of any service from the Company by the Supplier shall apply to the entire Aggregation Pool and not just an individual customer in the Aggregation Pool.

20.6.6 The Company may charge a monthly fee to the Supplier for each Aggregation Pool pursuant to Attachment D.

20.7 Imbalance Trading

20.7.1 Prior to the imposition of imbalance charges, the Supplier may engage in trading daily monthly imbalances for the previous Month, provided that daily imbalance trades communicated to the Company within three (3) Business Days upon the Company's provision of information on Supplier imbalances for said Month.

20.7.2 The Company will make available a list of Suppliers by Gas Service Area making deliveries during the previous Month.

20.7.3 Aggregation Pools affected by the transaction must be located within the same Gas Service Area as defined in Section 4, unless waived by the Company.

20.7.4 Daily imbalance trades must be point-specific on those Gas Days when the Transportation Pipeline required the Company to balance on a point-specific basis.

20.8 Billing and Payment

20.8.1 By the tenth (10th) Business Day of the calendar month, the Company shall render to the Supplier a statement of the quantities delivered and amounts owed by the Supplier for the

Issued: August 28, 2001

Issued by: Dennis Ca

Effective: November 1, 2001

Title: Vice President and Contr

III DELIVERY TERMS AND CONDITIONS

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prior Month. The Company will provide Suppliers with their Customers' consumption data based on estimated or actual meter readings at the appropriate cycle read dates for each Customer in the Aggregation Pool pursuant to Section 12 of this tariff. This data will be provided on a rolling basis as readings or estimates are made.

- 20.8.2 Calculation of the charges applicable to the Aggregation Pool will be based on aggregated Gas Usage and other such indicators of all Customers in the Aggregation Pool. Billing for charges applicable to an Aggregation Pool, including but not limited to imbalance charges, credits or penalties, shall be billed to the Supplier on a calendar month basis.
- 20.8.3 The Supplier shall have ten (10) Business Days from the date of such statement to render payment to the Company. The Supplier shall render payment by means of electronic fund transfer to the Company. The late payment rate will apply to all amounts outstanding after ten (10) days.
- 20.8.4 If the correctness of the Company's bill to the Supplier is questioned or disputed by the Supplier, an explanation should be promptly requested from the Company. If the bill is determined to be incorrect, the Company shall issue a corrected bill. In the event that the Supplier and the Company fail to agree on the amount of the bill, the Supplier may file a complaint with the Commission to resolve such complaint.

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21 CUSTOMER DESIGNATED REPRESENTATIVE

- 21.1 The Customer may appoint a Designated Representative to satisfy or undertake the Customer's duties and obligations; including, but not limited to submitting and/or receiving notices, making nominations, arranging for trades of imbalances, and performing operational and administrative tasks; provided, however, that under no circumstances will the appointment of a Designated Representative relieve the Customer of the responsibility to make full and timely payment to the Company for all Delivery Service provided under this tariff.
- 21.2 A request by a Designated Representative to the Company that contains the Customer's Authorization Number will be deemed to be confirmation that the Customer has designated such person or entity as a Designated Representative. A Customer may appoint only one (1) Designated Representative per account.
- 21.3 Under any agency established hereunder, the Company shall rely upon information concerning the applicable Customer's Delivery Service that is provided by the Designated Representative. All such information shall be deemed to have been provided by the Customer. Similarly, any notice or other information provided by the Company to the Designated Representative concerning the provision of Delivery Service to such Customer shall be deemed to have been provided to the Customer. The Customer shall rely upon any information concerning Delivery Service that is provided to the Designated Representative as if that information had been provided directly to the Customer.
- 21.4 The Customer shall agree to indemnify the Company and hold it harmless from any liability (including reasonable legal fees and expenses) that the Company incurs as a result of the Designated Representative's negligence or willful misconduct in its performance of agency functions on the Customer's behalf.

Issued: August 28, 2001

Issued by: Dennis C.

Effective: November 1, 2001

Title: Vice President and Contr

**NHPUC NO. 5 - GAS
KEYSPAN ENERGY DELIVERY**

ORIGINAL ATTACHMENT A

**ENERGYNORTH NATURAL GAS, INC.
d/b/a KEYSPAN ENERGY DELIVERY NEW
ENGLAND**

280 DAY SALES

SERVICE AGREEMENT

ENERGYNORTH NATURAL GAS, INC.

280 DAY SERVICE AGREEMENT

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ENERGYNORTH NATURAL GAS, INC.

280 DAY SERVICE AGREEMENT

ARTICLE I

PREAMBLE

This agreement (Agreement) is made this _____ day of _____, 19__ by and between EnergyNorth Natural Gas, Inc., d/b/a/ KeySpan Energy Delivery New England a New Hampshire corporation with its principal place of business at 1260 Elm Street, Manchester, New Hampshire 03105 (Company), and _____, a _____ corporation with its principal place of business at _____ (Customer).

WHEREAS, Customer has requested gas service pursuant to the terms and conditions of the Company's 280 Day Service Tariff as authorized by the New Hampshire Public Utilities Commission;

WHEREAS, the Customer's normal gas requirements consumed under this rate will be at least 5,000 therms per month; and

WHEREAS, the Company is willing to provide such gas service to Customer at Customer's facility located at _____ (Customer's Facility);

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and subject to the laws and regulations of the State of New Hampshire, the parties do covenant and agree as follows:

ARTICLE II

GOVERNING LAW

This agreement shall be subject to the General Laws of the State of New Hampshire and the Terms and Conditions as authorized from time to time by the New Hampshire Public Utilities Commission (the Commission), to the extent such terms and conditions apply to the provision of gas service pursuant to this Agreement. In the event of a conflict between said Terms and Conditions applicable to the 280 Day Service Tariff and the provisions of this agreement, the tariff shall govern. This agreement shall be further subject to any Commission order affecting the provision of 280 Day Service.

ARTICLE III

GAS TO BE SOLD.

3.1 Gas Sales Quantity

The Company agrees to sell and deliver and Customer, in months where the gas rate is competitive, agrees to purchase and receive monthly at least 5,000 therms of gas at Customer's Facility. The sale and purchase of gas herein is subject to the terms and conditions of this Agreement, the Company's 280 Day Service Tariff, incorporated by this reference, which is attached hereto and identified as Schedule A.

3.2 Character of Service

Delivery of gas hereunder is subject to curtailment or interruption as defined in the 280 Day Service Tariff. Such curtailment or interruption may be required by Company due to curtailment of its supply for the protection of deliveries of firm gas.

Customer agrees to discontinue gas service for at least 30 consecutive days per year and acknowledges that the Company may in its discretion, discontinue service for an additional fifty-five days as provided in the 280 Day Service Tariff.

3.3 Standby Equipment and Fuel.

It is understood and agreed that the Customer's right to purchase and to receive and to continue to purchase and receive gas under the terms of this Agreement is and shall be entirely dependent upon Customer having an alternate fuel supply available for use upon not less than twenty-four (24) hours prior notice. The Company shall notify Customer on or before November 1 of each year of the period gas service will be discontinued for the thirty (30) consecutive days. Service may also be discontinued for an additional fifty-five (55) days during the period November 1 through March 31 (Winter Period) upon at least twenty-four (24) hours notice. The Company agrees to give Customer as much notice as is reasonably possible of such additional discontinuance of this service during the Winter Period.

Customer understands that the 280 Day Service Rate is not available in conjunction with the Standby Service Rate.

Customer's failure to comply with a notice by Company for curtailment, pursuant to the provisions of Article III, paragraph 3.2, shall be considered sufficient cause

for Company, at its option, to cancel this Agreement without further notice and terminate gas service to Customer. In all circumstances, Customer shall be obligated to pay for gas used pursuant to the terms of this Agreement.

3.4 Inspection of Customer's Facility

Customer shall permit Company to inspect Customer's facilities to determine its gas-using capacity and alternate fuel capability. Customer acknowledges that it is Customer's sole responsibility to ensure that its alternate fuel and equipment is adequate to meet its requirements.

3.5 Penalty for Unauthorized Use of Gas.

Any use of gas by Customer during a period of interruption or curtailment, as set forth in Article III, paragraphs 3.2 and 3.3 herein, shall be referred to as unauthorized use of gas. For all unauthorized use of gas by Customer on any day during the billing month, Customer shall pay Company a penalty of \$1.50 per Therm for each Therm taken. Such penalty shall not preclude Company from shutting off Customer's supply of gas in the event of Customer's failure to curtail his use thereof when requested by Company to do so.

ARTICLE IV

RATE SCHEDULE AND CHARGES

4.1 Rate for Gas Sales.

For gas delivered hereunder, Customer shall pay the rate as determined pursuant to the 280 Day Service Tariff. Such rate includes system losses and franchise taxes. Company may file new or amended rate tariffs with the Public Utilities Commission to reflect, among other things, changes in the cost of purchased gas and increased operating costs and Customer acknowledges that the Commission, on its own authority, may order changes in such rate.

Customer reserves the right to file complaints, protest any proposed changes in rates or service provided by Company, participate in any proceedings before the Public Utilities Commission, or take such other action as may be in Customer's best interests with regard to the services contemplated herein. Company agrees to furnish copies to Customer of all filings, proposals and other changes submitted to the Public Utilities Commission which will affect the Company's 280 Day Service Tariff, upon written request of the Customer.

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ORIGINAL ATTACHMENT A

For the purpose of determining rates, Customer's alternate fuel is #_ oil, having a sulphur content of _____ percent (_____%).

- 4.2 Company shall notify Customer of the price of gas for any month during the firm 280 day period not less than five (5) business days prior to the first day of the month. The price can be adjusted during the month as provided in the 280 Day Service Tariff
- 4.3 Company shall notify Customer of the price of gas during the fifty-five (55) day Winter Period of potential discontinuance of service on a daily basis. Customer shall be notified of the daily price at least twenty-four (24) hours in advance.
- 4.4 Billing and Payment.

Customer shall pay its bills monthly by the tenth of each month following receipt of the bill (Due Date). A late charge will be assessed if payment has not been received by the fifteenth of the month following the Due Date. In addition to the late fee, if Customer fails to pay in full by the 15th of the month after the Due Date, interest charges at the rate of one and one-half percent (1 1/2%) per month, measured from the Due Date on the unpaid balance until paid in full, shall be assessed. Customer agrees to pay any such interest and late payment charges. Invoices not paid within thirty (30) days shall constitute an Event of Default as defined in paragraph 5. 7 of the Agreement, except that Company may discontinue service to Customer without further notice.

ARTICLE V

MISCELLANEOUS PROVISIONS

5.1 Deposit.

For the purposes of determining whether deposits will be required, Company expects Customer to pay monthly invoices in accordance with the provisions stated in Schedule A, Payment Terms. Company may require a security deposit if Customer fails to comply with these provisions. If and when requested by the Company, Customer will promptly make a security deposit in the amount requested, which deposit shall not exceed the larger of (a) two months' estimated bills for gas during the period of Customer's highest recorded consumption of gas, and (b) the largest amount of any outstanding indebtedness at any time during the two preceding years.

5.2 Term.

This Agreement shall be effective for a term of one year from the date of execution, and shall thereafter continue from year to year unless canceled by written notice given by either party to the other at least 45 days before the expiration of the term then in effect.

5.3 Notices.

Notices to Company under this Agreement shall be addressed as follows:

EnergyNorth Natural Gas, Inc.
201 Rivermoor Street
West Roxbury, MA 02132
Attn.: Elizabeth Danehy
Director, Customer Choice and Energy Supply

Notices to Customer shall be addressed as follows:

Invoices and curtailment notices to Customer shall be addressed as follows:

Either party may change its address under this section at any time upon prior written notice to the other party.

5.4 Cancellation of Previous Contract.

This Agreement supersedes and cancels, as of the effective date hereof, any previous contract between the parties hereto for the sale of gas by Company to Customer for its gas requirements at Customer's facility, but without affecting any obligation of either party to the other which shall have accrued prior to the effective date of this Agreement.

5.5 Succession and Assignment.

No assignment of this Agreement or of any right or obligation hereunder shall be made by Customer or Company without the prior written consent of the other first obtained, which consent shall not be unreasonably withheld. This Agreement and each of its terms shall be binding upon, and inure to the benefit of, the respective successors and assigns of the parties hereto.

5.6 Interpretation.

- (a) This Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted New Hampshire authorities having jurisdiction.
- (b) This Agreement, together with the Schedules attached hereto, constitute the entire understanding and agreement between the parties and may not be modified except by a writing signed by both parties. Any duly executed modifications or amendments shall become part of this Agreement.

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KEYSPAN ENERGY DELIVERY**

ORIGINAL ATTACHMENT A

5.7 Default.

Any one of the following events shall constitute an Event of Default:

- (a) If Customer shall default in the due and punctual payment for gas service as and when due, as determined by this Agreement and the Tariff; or
- (b) If Customer, in keeping, observing or performing any other terms, conditions or covenants in this Agreement; or
- (c) No term, condition or covenant of this Agreement may be waived except by written consent of the Parties hereto. Forbearance by either party of a term, condition or covenant shall not constitute a waiver of the same.

Accordingly, the parties hereto have executed this Agreement.

ENERGYNORTH NATURAL GAS, INC.

By: _____ Attest: _____

Vice President

By: _____ Attest: _____

**ENERGYNORTH NATURAL GAS, INC.
280 DAY SERVICE TARIFF
SCHEDULE A**

280 DAY SERVICE

Availability

This service is applicable to commercial and industrial customers whose normal requirements are at least 5,000 therms per month provided that the Company has adequate distribution facilities and has an adequate supply of natural gas to meet the customer's requirements at that location. This rate is available only where the customer maintains alternate fuel capability.

Character of Service

Natural gas or equivalent will be supplied at a heat content value of nominally (1) therm in each one hundred (100) cubic feet.

Firm service for a minimum of 280 days per year.

Rate

Customer Charge: \$200.00 per month

This charge shall cover access to data from a remote meter reading system installed by the Company.

Commodity Charge:

The rate applicable to a customer's purchases in a given month shall be the oil parity rate as determined below.

Based on 1,000 Btu's per Cubic Foot and 100,000 Btu's per therm, the price to be paid for all gas consumed by a customer each month in which 280 Day Non Peak Firm Service is available will be a direct function of that customer's alternate fuel posted price as listed in the Platts Oilgram Report Petroleum Prices. The posted price shall be the lowest quoted price at Boston Terminal in tanker lots for #__ oil, #__ oil (__% sulphur), #__ oil (__% sulphur) and #__ oil (__-__% sulphur). The posted price of a customer's alternate fuel used in the 280 Service pricing formula will be determined on a monthly basis using an average of the daily posted prices for the four Fridays preceding the date upon which the Company must submit its nominations to Tennessee Gas Pipeline Company (Tennessee).

The percentages of posted price of oil to be used in computing 280 Day Non Peak Firm gas prices will be determined by the Company monthly. The percentage of the posted price of each alternate fuel may vary for those

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ORIGINAL ATTACHMENT A

customers with the capacity to use more than 25,000 therms per month. The Company will report the percentages for various alternate fuel prices to the Public Utility Commission at the beginning of each month. If the Commission questions the reasonableness of any such percentage determinations made by the Company, it may investigate the matter and, if necessary and appropriate, make such orders as are just and reasonable relative to percentage determinations that shall be applicable only to sales made by the Company after its receipt, and its notification to the customers affected, of such orders. The Company shall give such notification within three business days after its receipt of such orders.

The following calculations will be made to derive the prices to be charged per therm of 280 Day Non Peak Firm gas consumed:

Rate 280-2 (alternate fuel - #2 oil)

$$\$/\text{therm} = \frac{\text{Posted Price/gal. (\#2)} \times 100,000 \times \text{Percentage of posted price of oil}}{140,000}$$

Rate 280-41 (alternative fuel - #4 oil - 1% sulphur)

$$\$/\text{therm} = \frac{\text{Posted Price/brl (\#4 - 1\%)} \times 100,000 \times \text{Percentage of posted price of oil}}{145,000 \times 42}$$

Rate 280-61 (alternate fuel - #6 oil - 1% sulphur)

$$\$/\text{therm} = \frac{\text{Posted Price/brl (\#6 - 1\%)} \times 100,000 \times \text{Percentage of posted price of oil}}{150,000 \times 42}$$

Rate 280-62 (alternate fuel - #6 oil - 2-2.5% sulphur)

$$\$/\text{therm} = \frac{\text{Posted Price/brl (\#6 - 2.25\%)} \times 100,000 \times \text{Percentage of posted price of oil}}{150,000 \times 42}$$

Rate 280-2, 280-41, 280-61, and 280-62 will be divided by .968 (to cover the 1% franchise tax and 2.2% lost and unaccounted for gas) to arrive at the prices to be charged.

At any time in which 280 Day Non Peak Firm Service is not available, any gas consumed by a customer for pilot use will combined with the customer's firm gas billing and billed under the Company's Large Industrial Rate tariff.

This 280 day rate is not subject to the cost of gas adjustment.

The rates determined above are subject to the floor price defined below:

The Floor Price is defined as equaling the Marginal Cost of Gas for the day of sale adjusted to include:

- a) the effect of system losses estimated to be 2.2 percent; and
- b) franchise taxes.

The rate charged at any time during the year shall not be greater than the rate charged in accordance with the winter rate under the Company's Large Industrial Rate.

Terms and Conditions

To be eligible for this service a customer must sign a contract for a one year period for 280 day service which contract may contain limitations as to maximum hourly, daily, or monthly consumption, provisions for notice of interruption and additional charges for excess usage, terms of payment, and other terms and conditions of service. The customer must agree to discontinue gas service for a minimum of 30 consecutive days per year. On or before November 1 of each year, the Company shall notify each 280 day service customer of the starting and ending dates for the 30 consecutive days of non service for that year for that customer. The Company at its sole option may discontinue service for up to 55 additional days during the winter period from November through March inclusive upon 24 hours notice. The Company will use its best efforts to provide the maximum notification of service disruption for the additional 55 day period. The additional 55 days of interruption need not be consecutive.

The customer must certify in a signed affidavit, appended to the contract, that the installation being served is physically and legally capable of burning the specific type of fuel oil used as the equivalent BTU determinant oil or other alternate fuel. The Company reserves the right in its sole discretion to waive the aforementioned affidavit upon good cause being shown by the customer. This service shall be limited in the Company's sole discretion to the operational systems and gas supply limitations of the Company. If a customer does not certify to the capability of burning a specific type of oil, the customer's oil parity fuel price will be based on #2 fuel oil.

280 day service is not available in conjunction with standby service.

The Company will compute the oil parity price and will notify each customer of the price for the month no less than five business days prior to the first day of each month during the 280 day firm period. The quoted price shall be fixed during each firm service month subject to the floor price provision of this tariff. During the 280 day period of firm service the Company may, in extraordinary circumstances, adjust the quoted price upward in the unlikely event that the floor price, for unanticipated reasons, rises above the price quoted for the month. For the 55 days of potential additional service daily

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price quotes will be provided to the customer by the Company not less than 24 hours in advance. The quoted price during the 55 day period shall not be less than the floor price provisions of this tariff.

Gas delivered hereunder will be separately metered and shall not be used interchangeably with gas supplied under any other service classification. The Company shall be afforded the opportunity by the customer to inspect the facilities to properly ascertain the gas-using capacity and alternate fuel capability on the customer's premises.

It is the customer's full responsibility to have standby equipment installed and maintained in operating condition and a fuel supply adequate for its operation at all times.

Prior to supplying gas under this rate classification, the Company must have in its possession a fully executed contract between the parties. Service is governed by Company's Standard Terms and Conditions and by the terms and conditions of the contract.

STATE OF NEW HAMPSHIRE)
COUNTY OF _____) AFFIDAVIT
)

- 1) _____ requests natural gas service at _____, _____, NH, at which has normal gas fuel requirements of 5,000 therms per month;
- 2) _____ has alternate fuel capability which is adequate to meet its energy needs at _____, _____, New Hampshire;
- 3) _____ has not relied upon or received any representations by EnergyNorth Natural Gas, Inc. regarding the adequacy of its alternate fuel capability;

- 4) The alternate fuel of _____ is #6 fuel oil having a sulphur content of 2-2.5 percent (2-2.5%), which alternate fuel is capable of being burned in the equipment at Customer's facilities; and
- 5) _____ is physically and legally capable, including but not limited to having the appropriate standby equipment and all necessary permit and authorizations, to burn the alternate fuel identified in the preceding paragraph.

DATED this ____ day of _____, _____.

By: _____, DULY AUTHORIZED

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, ____ by _____, the _____ of _____ a, _____ corporation, being duly authorized.

Notary Public/Justice of the Peace

***ENERGYNORTH NATURAL GAS, INC.
d/b/a KEYSPAN ENERGY DELIVERY NEW
ENGLAND***

280 DAY TRANSPORTATION

SERVICE AGREEMENT

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ENERGYNORTH NATURAL GAS, INC.

280 DAY TRANSPORTATION SERVICE AGREEMENT

ARTICLE I.

PREAMBLE

This agreement is made this _____ day of _____, _____ by and between EnergyNorth Natural Gas, Inc., d/b/a KeySpan Energy Delivery New England, a New Hampshire corporation with its principal place of business at 1260 Elm Street, Manchester, New Hampshire 03105 (Company), and _____ a _____ corporation with its principal place of business at _____ (Customer).

Service under this agreement will commence (as defined by EnergyNorth Natural Gas, Inc.) on the _____ day of _____, _____ and shall be referred to as the effective date of service.

WITNESSETH:

WHEREAS, Customer owns or has access to volumes of natural gas which can be delivered through the Tennessee Gas pipeline system (Transportation Pipeline) which it desires to have transported to its facility located at _____ (Customer's Facility); and

WHEREAS, Company is willing to receive, transport and deliver such gas to Customer at Customer's facility;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and subject to the laws and regulations of the State of New Hampshire, the parties do covenant and agree as follows:

ARTICLE II.

GOVERNING LAW

This agreement shall be subject to the General Laws of the State of New Hampshire and the Terms and Conditions as authorized from time to time by the New Hampshire Public Utilities Commission (the Commission), to the extent such terms and conditions apply to the transportation of natural gas or other terms and conditions of service. In the event of a conflict between said Terms and Conditions applicable to transportation services and the provisions of this agreement, this agreement shall govern. This agreement shall be further subject to any Commission order affecting transportation service.

ARTICLE III.

DEFINITIONS

Daily Metered Quantity - The actual quantity of gas used by the Customer during the Gas Day as measured by the Company's metering equipment at the Delivery Point.

Daily Overtake Quantity - An Imbalance in which the difference between the Daily Metered Quantity and the Daily Scheduled Quantity is a positive number, i.e., where Daily Metered Quantity exceeds the Daily Scheduled Quantity.

Daily Scheduled Quantity - The quantity of gas scheduled to be received during the Gas Day by the Company at the Receipt Point for the account of Customer, for redelivery at the Delivery Point during the same Gas Day.

Daily Undertake Quantity - An Imbalance in which the difference between the Daily Metered Quantity and the Daily Scheduled Quantity is a negative number, i.e., where Daily Metered Quantity is less than the Daily Scheduled Quantity.

Delivery Point - A location where the Company's distribution facilities are interconnected with the Customer's facility and where the Customer's gas will be delivered by the Company.

Gas Day - A period of twenty-four (24) consecutive hours beginning at 10:00 a.m. E.T., and ending at 10:00 a.m., the next calendar day.

Imbalance - The difference, during the Gas Day, between the Daily Scheduled Quantity and Daily Metered Quantity.

Marginal Cost - The variable cost of the Company's marginal source of gas, including variable Transportation Pipeline charges, for the Gas Day.

Maximum Daily Quantity (MDQ) - The maximum gas quantity which Customer has a right to use and the Company is obligated to deliver during any Gas Day. The quantity shall be no greater than the Customer's hourly connected load times twenty-four (24) hours.

Receipt Point - An interconnection between the Customer's Transporting Pipeline and the distribution facilities of the Company where gas will be received by the Company for transportation in its service territory.

Swing Tolerance Level - The daily Imbalance allowance between the Daily Scheduled Quantity and the Daily Metered Quantity at the Delivery Point. The default level will be $\pm 10\%$, but can be adjusted by the Company only if Tennessee Gas Pipeline (TGP) imposes tighter tolerance levels (i.e., TGP may issue an Operational Flow Order (OFO) restricting the Company to a tighter swing tolerance level). Notice will be given to customers before any changes are made to the swing tolerance level as defined in Article X, Paragraph G.

Transportation Pipeline - The person(s), Company(ies) or other party(ies), engaged in the business of rendering transportation service of natural gas in interstate commerce, subject to the jurisdiction of the Federal Energy Regulatory Commission, which the person(s),

KEYSPAN ENERGY DELIVERY.

Company(ies) or party(ies) is (are) transporting gas for Customer's account to the Receipt Point of the distribution facilities of the Company.

ARTICLE IV.**SERVICE TO BE PROVIDED BY COMPANY**

A. Company will receive from Customer, at the Receipt Point designated in Exhibit A, volumes of natural gas up to a Maximum Daily Quantity (MDQ) as defined in Exhibit A of this agreement, subject to its rights under Article IV, Paragraph (C), hereunder. Company will use its best efforts to transport this MDQ of natural gas to Customer at Customer's Facility.

B. Transportation service will be provided on a best efforts basis and will be subject to interruption and/or curtailment to the extent the Company determines in its sole judgment such interruption to be necessary to ensure continued service to the Company's firm sales and firm transportation customers. All curtailments or interruptions by Company will be made in accordance with Article XI and the Company's Supply and Capacity Shortage Allocation Policy. Delivery of the gas is not subject to curtailment or interruption during the 280 days of firm service except pursuant to the Company's Gas Shortage Allocation Policy. Delivery of gas is subject to curtailment or interruption for a consecutive thirty (30) day period and for the remaining fifty-five (55) days as notified.

C. Company will give Customer at least two hours advance notice by telephone of any such curtailment or interruption at Customer's telephone number(s) as defined in Exhibit A (and Customer shall be available to receive such notice twenty four (24) hours a day, seven (7) days a week. Upon receipt of such notice, Customer shall curtail or discontinue the use of gas from the delivery point within two hours. In the event of a major system failure, Customer agrees to discontinue gas use as soon as possible after notification from Company. In the event of any failure to curtail or discontinue gas use, Customer will pay Company an additional charge of One Dollar and Fifty Cents (\$1.50) for all unauthorized gas use after the conclusion of the two hour notification period. Notwithstanding any payment of such additional charge, Company may discontinue transportation service to Customer if Customer fails to comply with its obligations to discontinue use in accordance with the provisions of this contract, which failure by Customer shall constitute an Event of Default as defined in Article XII.

D. Insofar as practicable, Customer shall arrange for transportation quantities at a uniform rate throughout the day.

E. The Receipt Point(s) at the Company's city gate set forth in Exhibit A may be changed only by mutual agreement. Customer shall include any proposed changes in the Company's city gate Receipt Point(s) with its nomination submitted for service on the first day of a given month. Company reserves the right to reject such proposed changes.

F. It is understood that Company has no obligation to provide service under this agreement other than on the basis described above. Customer warrants and agrees that it shall maintain complete alternate standby fuel and equipment available for use in the event of curtailment or interruption of service. Customer agrees that Company has the right to

**NHPUC NO. 5- GAS
KEYSPAN ENERGY DELIVERY.**

ORIGINAL ATTACHMENT B

inspect such equipment, but not an obligation to inspect nor to ensure that such standby equipment is adequate for Customer's requirements.

Notwithstanding the foregoing, the Company shall not be liable to Customer or to Customer's customers for any loss or damage incurred by Customer resulting from (a) any curtailment or interruption, including a permanent interruption in the delivery of the transportation volume, whether or not notice of such curtailment or interruption is given; or (b) any variation in the quality or pressure of the transportation volume delivered.

G. Nothing herein shall be construed as obligating Company to construct additional facilities. If new or additional facilities are required on the Company's system for Customer to receive 280 day transportation service, Customer shall prepay for the facilities.

If Customer converts to this service from another service classification without satisfying payment of facilities costs in the Company's Service and Main Extension tariff, the costs of facilities unrecovered by the company must be prepaid by the customer.

H. The Company's As Available Gas Supply Service is available in conjunction with this 280 day transportation service on any day that 280 Day Transportation Service is available.

I. In the event the Company, during a curtailment or interruption, requires emergency gas, and takes the gas of Customer, Customer shall be compensated for such emergency gas at the Customer's alternate cost of fuel as demonstrated to the reasonable satisfaction of the Company.

ARTICLE V.

CUSTOMER RESPONSIBILITIES

A. Customer shall provide Company with a written nomination, with information sufficient for the Company to confirm nominations, substantially identical to Exhibit B1, stating the maximum volume to be transported by Company during the next day. Such nominations must be received on or before 10:00 a.m. of each Gas Day, unless a standing nomination for each Gas Day has been received twenty-four (24) hours before the interstate pipeline nominations are due for the month, in order to be effective for the next day, provided, however, that earlier nominations may be required. Company will notify Customer if an earlier nomination deadline is required by another transporter. If no nomination is made by Customer with respect to a particular source, the nomination will be deemed to be the nomination for the previous day unless a standing nomination is in effect. Any gas takes outside such previous nominated volumes treated in accordance with Article X and the other provisions of this Agreement.

Nominations for delivery of gas on the first day of any month will be provided to the Company twenty-four (24) hours before the interstate pipeline nominations are due for the next month. The nomination shall be transmitted to EnergyNorth Natural Gas, Inc., Gas Supply Department, Fax No. (603) 623-4644 Attention: Gas Dispatch Supervisor, and such nominations shall not be deemed made until received.

This nomination provides Company with notice of Customer's expected transportation requirements and does not alter any other provisions of this agreement. It is Customer's

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responsibility to ensure that volumes delivered by the Transportation Pipeline to the Customer's Receipt Point(s) conform with the terms of this agreement.

B. Customer shall be solely responsible for securing faithful performance by the Transportation Pipeline and/or its suppliers in all matters which may affect Company's performance hereunder, and Company shall not be liable hereunder to Customer or to any other person as a result of the failure of the Transportation Pipeline or Customer's suppliers to so perform.

C. When any of Customer's sources of gas are also sources of gas for other transportation customers of Company and they have a common agent, at a given interstate pipeline meter, agent shall provide a common daily nomination covering all customers delivering gas from such source. Customer hereby appoints the party identified in Exhibit A or a subsequently designated agent pursuant to the Agency Agreement as its agent for the purposes of making such nominations and determining the proper allocation of volumes among all affected customers. In the event all nominated volumes are not delivered and in the absence of an agent designation, allocation methods by the Company will be pro rata as among such customers.

ARTICLE VI.**TERM**

The term of this agreement shall commence on its effective date as provided in Article I, above, and shall continue until the following July 31. This agreement shall further continue thereafter for successive one year periods ending July 31 of each subsequent year, subject to the right of Company or Customer to terminate this agreement by written notice delivered to the other at least sixty (60) days prior to the end of the respective one year period.

This service is also available in conjunction with the equivalent sales service. The customer may elect to enter into concurrent interruptible sales and transportation contracts. Should the customer elect to do so, the customer must also elect on a monthly basis which service is to be utilized. In any event, the customer is only responsible for the payment of one service charge per month.

ARTICLE VII.**MEASUREMENT OF TRANSPORTATION VOLUMES**

A. The volumes of gas delivered hereunder to Customer shall be determined by use of measuring equipment which the Company owns and operates. Any additional metering equipment required to provide service hereunder shall be selected, installed and maintained by Company, including but not limited to remote-controlled telephone and metering equipment (Remote Metering) required to allow Company to instantaneously monitor Customer's usage.

B. In the event any meter fails to register, or registers incorrectly, Company shall reasonably determine the length of the period for which such meter failed to register or registered incorrectly and, based upon Company records of Customer usage indicating the prior gas usage of its equipment and other information and the quantity of gas delivered

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during such period, the Company will make an appropriate adjustment based thereon. For the purpose of this section, any meter which registers not more than two (2) percent higher or lower than actual shall be deemed correct.

In addition, Customer shall furnish and maintain, at no cost to Company, the necessary space, housing, fencing, and foundations for the meters, regulators, and other gas equipment owned by Company and installed upon Customer's premises, whether such equipment is furnished by Customer or Company. Such space, housing, fencing, and foundations shall be in conformity with public laws and regulations, and subject to Company's specifications and approval.

C. Meter readings for normal billing purposes will be taken, if practicable, daily at approximately 10:00 a.m. through the Remote Metering referred to in Section A of this Article. Remote Metering will be designed to monitor and record the Customer's maximum consumption during any given twenty-four hour time period. If Remote Metering is utilized, Company shall make an on-site meter reading each month at Customer's Facility to verify the Remote Metering. If there is any inconsistency between an on-site meter reading and the Remote Metering, Company shall make reasonable adjustments in the latter type of readings to make them consistent with the on-site readings.

D. Company, at its expense, shall periodically inspect and test its meters and shall replace its meters at intervals not exceeding the period designated for replacement by the New Hampshire General Laws, as amended or superseded from time to time. At the written request of Customer, Company shall make additional tests of any such meters in the presence of Customer's representatives. The cost of such additional tests shall be borne by Customer whenever the error is found not to be greater than two (2) percent.

E. Customer shall furnish, own, maintain, and operate at its expense the complete system of such piping and appurtenance on Customer's side of the Delivery Point as are sufficient for the proper utilization of the gas to be transported hereunder.

F. Customer shall provide Company such reasonable rights of way on and rights of entry to Customer's Facility as may be required by Company in connection with this agreement, including without limitation, access for any removal, use, maintenance and periodic inspection of all Company's pipe and metering.

ARTICLE VIII.

PRESSURE AND QUALITY

A. The natural gas to be transported hereunder shall be received by Company from the Transportation Pipeline at the Receipt Point and shall be delivered to Customer at the Delivery Point.

B. Deliveries of gas by or on behalf of Customer to Company shall be made against the distribution pipeline pressure existing in Company's distribution system. Company will not be obligated to alter such distribution pipeline pressure. Company shall deliver natural gas hereunder to Customer at the Customer's Delivery Point at the Company's system pressure.

C. The natural gas delivered hereunder by the Transportation Pipeline to Company shall be of at least the same quality as that specified in the Transportation Pipeline's Federal Energy Regulatory Commission Gas Tariff governing deliveries by the Transportation Pipeline to Company. The gas delivered hereunder by Company to Customer shall be of similar quality as that delivered generally to the Company's firm customers. It is understood by Customer that Company, from time to time, may supplement its system supply with other alternative sources of gas, including, without limitation, vaporized liquefied natural gas and propane gas.

ARTICLE IX.

RATES AND BILLING

A. Rates. Any transportation services used by the Customer pursuant to this agreement shall be charged to Customer pursuant to the tariffed rate, attached hereto as Exhibit B and the terms of this agreement.

B. Billing.

1. Customer shall pay its bills monthly. Any amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed, are subject to a late payment charge of one and one half percent (1 1/2%) per month on the unpaid balance.

2. If the Transportation Pipeline invoice is reissued and adjusts the quantity of transportation gas delivered to Company for the account of Customer, a corresponding adjustment shall be made in the next bill rendered to Customer after receipt of such invoice by Company, or as soon as practicable.

3. In addition to other payments provided for herein, Customer shall pay to Company the amount of any governmental assessment or tax on the transportation of gas, in effect at the time service is provided, which Company may hereafter be required to pay or collect by any federal, state or local law.

ARTICLE X.

BALANCING SERVICE AND CHARGES

A. Customer Responsibility

It is the responsibility of the Customer to control and, if necessary, adjust receipts of gas by the Company at the Receipt Point(s) to be in balance with deliveries of such gas by the Company to the Delivery Point(s). The Company shall not be obligated to receive or deliver gas in excess of the Daily Scheduled Quantity by the Customer, nor shall the Company be obligated to deliver to the Customer at the Delivery Point quantities of gas in excess of the quantities received for Customer at the Receipt Point(s). The Customer is responsible for keeping informed as to its Daily Metered Quantity and for making appropriate

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adjustments to its consumption of gas to ensure that the Imbalance is kept as near to zero as practicable. The Company will monitor, to the best of its ability, actual receipts and deliveries under this Agreement and shall have this information available upon customer request four (4) hours after completion of each Gas Day during normal business hours.

Any adjustment to scheduled receipts and deliveries by Customer, whether or not pursuant to notification from Customer's Transportation Pipeline, shall be coordinated with the Company and shall be in accordance with the Company's scheduling procedures. In order to balance quantities received and delivered by the Company pursuant to this Agreement, Company shall not be obligated to accept quantities of gas for the account of Customer or deliver gas to Customer at points other than as originally scheduled by Customer and accepted by Company pursuant to this Agreement.

B. Daily Imbalance Requirements and Charges

The Customer shall manage gas usage and gas supplies so as to limit any Daily Overtake or Undertake to the Company's Swing Tolerance Level, usually 10% of the Daily Scheduled Quantity. There shall be a daily Imbalance charge of \$.04836 per therm for Overtake or Undertake Quantities that exceed the Swing Tolerance Level percentage of the Daily Scheduled quantity. On any given Gas Day in the month, should the Company be in an Imbalance situation greater than the current daily Imbalance percentage with its Transportation Pipeline, the Company shall assign these Imbalance charges assessed to the Company by upstream pipelines to the two groups of customers that the Company provides service to, i.e. sales and transportation customers, based on the extent that each group caused such charges. The portion of any such charges assigned to sales customers shall be included in an appropriate deferred gas cost account. The portion of any such charges assigned to transportation customers shall be further assigned to individual transportation customers based on the extent to which each transportation customer caused such charges. The charges, if any, assigned to each transportation customer, shall be included along with the appropriate documentation in the Customer's monthly bill.

Any quantities of gas taken under non-curtailement conditions over the MDQ shall be considered unauthorized use and paid for at the charge of One Dollar and Fifty Cents (\$1.50) per therm and these quantities shall not be subject to the Monthly Imbalance Charges at Paragraph E.

C. Imbalance Trading

Customers shall be allowed to enter into agreements to trade offsetting daily Imbalances that occur on the same Gas Day, subject to the provisions of this Agreement. Customers entering into such agreements, however, shall remain responsible both separately and severally for any remaining Imbalance charges or overrun charges resulting from the parties' transportation activity occurring on such Gas Day. The parties to such agreement shall notify the Company of the proposed agreement within forty-eight (48) hours of the end of the Gas Day on which the Imbalances occurred by completion of the Transportation Nomination Form attached to this agreement as Exhibit B2. Customers are required to use this Nomination Form for all Imbalance trades. The Company has the right to extend the trading period and/or reject any proposed trade arrangements for operational considerations. By approving the proposed trade arrangement, the Company assumes no

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responsibilities for enforcing any of the terms of the arrangement between the parties to any such agreement. Nothing herein shall prohibit the Company from trading Imbalances with its transportation customers.

D. Monthly Imbalance Charges

Unless the Company and Customer agree to correct Imbalances in kind on a non-discriminatory basis, the end of month Imbalance, if less than or equal to 5%, will be cashed out at the Company's cashout price, and monthly Imbalances, to the extent they exceed 5%, will be cashed out at the Company's cashout price plus an additional percentage for customer overtakes and at the cashout price minus an additional percentage for customer undertakes. See Schedules A and B.

The Company's cashout price referenced in the following Schedules A and B shall be calculated as follows: When supplemental supplies are not being dispatched and when a Customer's monthly Imbalance is an Undertake and the Company purchases the Imbalance gas from the Customer, the cashout price shall be the Tennessee cashout price (market area, appropriate month) increased to reflect TGP fuel retention from zone 0 to zone 6 (FT-A fuel = 8.71% winter and 7.42% summer) plus the pipeline commodity (volumetric) charges for the effective TGP FT-A rate schedule including base rates plus all associated surcharges.

Example A:

TGP Cashout	=	\$2.20
Fuel Retention	=	8.71% (winter)
Eff. TGP Cashout	=	\$2.4099
FT-A 0-6 Commodity	=	\$0.1608 Base Rate (TGP Tariff)
	=	\$0.0022 ACA (FERC approved surcharge)
	=	\$0.0075 GRI (FERC approved surcharge)
	=	\$0.0000 Other Surcharge
Total ENGI Cashout	=	\$2.5804per Dth/10 = \$0.2580per therm

When supplemental supplies are not being dispatched, and when a customer's monthly Imbalance is an Overtake and the Company sells the imbalance gas to the customer, the cashout price shall be the Tennessee cashout price (market area, appropriate month) increased to reflect TGP fuel retention from zone 0 to zone 6 (FT-A/IT fuel = 8.71% winter and 7.42% summer) plus the average pipeline commodity (volumetric) charges for the effective TGP FT-A and IT rate schedules including base rates plus all associated surcharges.

Example B:

TGP Cashout	=	\$2.20
Fuel Retention	=	8.71% (winter)
Eff. TGP Cashout	=	\$2.4099
FT-A 0-6 Commodity	=	\$0.1608 Base Rate (TGP Tariff)
IT 0-6 Commodity	=	\$0.7647 Base Rate (TGP Tariff)
FT-A/IT Average	=	\$0.4628 Base Rate
	=	\$0.0022 ACA (FERC approved surcharge)
	=	\$0.0075 GRI (FERC approved surcharge)
	=	\$0.0000 Other Surcharge
Total ENGI Cashout	=	\$2.8727 per Dth/10 = \$0.2873 per therm

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Percent Monthly Imbalance

First five percent (0 - 5 %)
Next five percent (> 5 - 10%)
Next five percent (> 10 - 15%)
Next five percent (> 15 - 20%)
Over twenty percent (> 20%)

Company charges percentage of
Cashout Price

100%
115%
130%
140%
150%

Schedule B

Percent Monthly Imbalance

First five percent (0 - 5 %)
Next five percent (> 5 - 10%)
Next five percent (> 10 - 15%)
Next five percent (> 15 - 20%)
Over twenty percent (> 20%)

Company charges percentage of
Cashout Price

100%
85%
70%
60%
50%

E. Limitations of Balancing Service

If the Company determines, at its sole discretion, that a transportation customer is intentionally acting so as to financially gain from the provisions for Monthly or Daily Imbalance Charges or Monthly Imbalance Credits as provided for in the Company's Transportation Agreement, the Company shall, upon such a determination, first provide an Initial Notification of Balancing Limitations by telephone or telephone facsimile. The Initial Notification shall include a description of corrective actions that the customer must take, and shall have a deadline of not less than twenty-four (24) hours for initiating the corrective actions. If the transportation customer does not satisfy the requirements set forth in the Initial Notification, the Company shall issue a Second Notification of Balancing Limitations. Starting with the first gas day after the issuance of the Second Notification, any Daily Imbalance Charge as provided for in Article X, B, of this Agreement, shall be increased by a Balancing Surcharge of \$0.10 per therm. In addition, for that month, the Monthly Imbalance Charges provided for in Article X, E, Schedules A, B and C of the Company's tariffs shall be increased by a Balancing Surcharge of \$0.10 per therm and the Monthly Imbalance Credits provided for in Article X, E, Schedules D, E and F shall be decreased by a Balancing Surcharge of \$0.10 per therm. The Balancing Surcharge shall remain in effect until the longer of: (1) three gas days, or (2) one gas day after the transportation customer satisfies the provisions of the Initial Notification of Balancing Limitations. The Company may charge the Balancing Surcharge of \$0.10 per therm starting the next gas day after issuing a Notification of Balancing Limitations - Repeat Offender to any customer that has been issued an Initial Notification according to the provisions of this section one (1) time previously in the last thirty (30) days or two (2) times previously in the last ninety (90) days. The Balancing Surcharge shall remain in effect until the longer of: (1) three gas days, or (2) one gas day after the transportation customer satisfies the provisions of the Notification of Balancing Limitations - Repeat Offender.

The Company's determination as to restrictions on Balancing Services pursuant to this section shall be appealable to the Commission.

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F. Operational Flow Order

The Company shall have the right to issue an Operational Flow Order(s) (OFO) to its Customers if an OFO has been issued by its Transportation Pipeline which may limit the amount of service available and may contain more restrictive balancing provisions, among other things. OFO's shall be issued via telephone to be followed by a facsimile. The OFO will set forth (a) the time and date of issuance; (b) the actions Customer is required to take; (c) the time by which Customer must be in compliance with the OFO; (d) the anticipated duration of the OFO; and (e) any other terms which the Company may reasonably require to ensure the effectiveness of the OFO. If the Company cannot contact the Customer due to the Customer's failure to have a person available, such Customer shall be solely responsible for any consequences, including but not limited to equipment breakdown, lost production, freezing of pipes, etc., which could have been prevented by such communication. During an OFO, the daily Imbalance charge at Schedule B may be adjusted to reflect the Imbalance charges assessed by the Company's Transportation Pipeline. During an OFO, the Customer shall nominate on a daily basis the expected Daily Metered Quantity and will not be allowed to use any prior Imbalance that may have accumulated prior to the OFO.

ARTICLE XI

FORCE MAJEURE

A. If either the Company or the Customer is rendered unable by force majeure to wholly or in part carry out its obligations under the provisions of this Agreement, the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period; and such cause shall, insofar as possible, be remedied with all reasonable dispatch.

B. The term "force majeure" as employed herein, shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts, material or equipment or labor shortages, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of reasonable foresight, such party if unable to avoid and, by the exercise of due diligence, such party is unable to overcome.

ARTICLE XII.

DEFAULT

If either party shall fail to perform or otherwise be in default of any of its obligations under this agreement (Event of Default), the other party may terminate this agreement by giving the defaulting party written notice stating specifically the nature of the default and giving notice of termination. Any termination of this agreement shall be without prejudice to the right of the Company to collect any payments due Company for transportation service

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prior to the time of termination including interest and any properly applied charges for imbalance. Company is entitled to costs or attorneys' fees incurred in pursuing collection of any monies owed Company by Customer. No waiver by either party of any Event of Default of the other under this agreement shall operate as a waiver of any future Event of Default, whether of like or different character or nature.

ARTICLE XIII**MISCELLANEOUS**

A. Customer shall be deemed to be in exclusive control and possession of transportation gas until such gas has been delivered to Company by Transportation Pipeline. Company shall be deemed to be in control and possession of gas delivered to it by the Transportation Pipeline for Customer in accordance with this agreement until such gas has been delivered to Customer at the Delivery Point, after which Customer shall be deemed to be in control and possession thereof. Customer shall have no responsibility, except as otherwise provided by agreement, with respect to the gas from the Receipt Point until it passes the Delivery Point.

B. Neither Company nor the Customer shall be liable to the other, or party claiming through the other, for special or consequential damages, and each agrees to hold the other harmless against such claims.

C. Customer warrants that it will, at the time of delivery to Company of gas from the Transportation Pipeline, have good and merchantable title to all gas so delivered to Company. Customer indemnifies Company and holds it harmless from all suits, actions, debts, accounts, damages, costs, losses and expense arising out of the adverse claims of any ant persons to said gas and/or to royalties, taxes, licenses, or charges thereon with which are applicable to such gas and/or the delivery of such gas to Company transportation hereunder. Title to the gas received, transported and delivered at all times shall remain with Customer and shall not pass to Company.

D. Customer shall provide Company with information sufficient for the Company to transport gas and shall notify Company in writing of any modification to such information, occurring or made effective after the execution of this agreement. Any such modification of information shall not obligate Company to modify this agreement in accordance therewith, but Company retains the right to do so.

E. Company is a public utility subject to regulation by New Hampshire Public Utilities Commission. This agreement must be filed with the Commission accordance with New Hampshire General Laws and shall, subject to any disapproval or limitation imposed by the Commission, become effective on the thirty-first day after the date of such filing or on such later date as may be ordered by Commission. Compliance by Company with any order of the Commission or any other federal, state or local government authority acting under claim of jurisdiction issued before or after the effective date of this agreement, shall not be deemed to be a breach hereof. The provisions in this agreement shall be subject to review and determination by the Commission in any proceeding brought under provisions of the New Hampshire General Laws. In the event of the issuance of an order of the Commission under the New Hampshire General laws, which modifies the provisions of this contract, either Company or Customer, if affected adversely by such order, shall have the option within thirty

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(30) days after the issuance of such order to terminate this agreement by giving notice of termination to the other party.

F. All notices required or permitted to be given hereunder shall be deemed given upon mailing such notices by registered or certified mail, postage prepaid, addressed as follows:

If to Customer:

If to Company:

EnergyNorth Natural Gas, Inc.
201 Rivermoor Street
West Roxbury, MA 02132
Attention: Director, Customer Choice and Energy Supply

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed by their authorized officers as of the date first written above.

For Customer

By: _____
Title: _____

Date: _____

Witness: _____

EnergyNorth Natural Gas, Inc.
D/b/a KeySpan Energy Delivery New England
By: _____
Title: _____

Date: _____

Witness: _____

Exhibit A

Revised 5/13/99

**ENERGYNORTH NATURAL GAS, INC.
TRANSPORTATION CONTRACT ELECTION FORM**

EnergyNorth Natural Gas, Inc.
Gas Supply Department
201 Rivermoor Street
West Roxbury, MA 02132
Tel. #: (617) 723-5512
Fax #: (617) 363-9715

Effective Date: _____

Customer Information

Company (Account) Name: _____

Facility Address: _____

Pipeline City Gate (Receipt Point) Meter No.: _____

Premise (Account) Number: _____ Meter No.: _____

Company Representative: _____

Telephone No.: _____

Fax No.: _____

Authorized Agent (Marketing Company): Refer to the Agency Authorization Agreement

Authorized Agent (Marketing Representative): Refer to the Agency Authorization Agreement

Authorized Agent (Telephone No.): Refer to the Agency Authorization Agreement

Contract Service Elections

Maximum Daily Quantity (MDQ): _____ Therms

Customer Authorization: _____

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Revised 5/13/99

**Exhibit B1
PIPELINE TRANSPORTATION NOMINATION FORM**

EnergyNorth Natural Gas, Inc.
Gas Supply Department
201 Rivermoor Street
West Roxbury, MA 02132
Tel. #: (617) 723-5512 Fax #: (617) 363-9715

Contacts: Dawn Querzoli, Customer Choice Analyst Ext. 4743
Katy Barrett, Manager Customer Choice Ext. 4734
Liz Danehy, Director Customer Choice Ext. 4730

Customer Information:

Company Name: _____

Facility Address: _____

Contact Name: _____

Telephone #: _____ Fax #: _____

Account #: _____ Customer Meter No.: _____

EnergyNorth Transportation Information:

Start Date: ____/____/____ 10:00 am (Eastern Time)

Note: This nomination will roll over from one day to the next through the last day of each month unless customer submits a new nomination. If weekend load is different than weekday load, note it in the appropriate space below and we will adjust weekend nomination confirmations with Tennessee Gas Pipeline accordingly. Also, let EnergyNorth know if nomination changes are needed for holidays.. Imbalance trading adjustments can be made to bring monthly imbalances back in line.

Agent/Supplier: _____ Tel. #: _____

Daily Transportation Volume Request (Therms):

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Other
A _____	A _____	A _____	A _____	A _____	A _____	A _____	A _____
B _____	B _____	B _____	B _____	B _____	B _____	B _____	B _____
C _____	C _____	C _____	C _____	C _____	C _____	C _____	C _____
Therms	Therms	Therms	Therms	Therms	Therms	Therms	Therms

Tennessee Gas Pipeline Information / Daily gas volume nominations to EnergyNorth gate stations:

A _____	A _____	A _____	A _____	A _____	A _____	A _____	A _____
B _____	B _____	B _____	B _____	B _____	B _____	B _____	B _____
C _____	C _____	C _____	C _____	C _____	C _____	C _____	C _____
MMBtu	MMBtu	MMBtu	MMBtu	MMBtu	MMBtu	MMBtu	MMBtu

Downstream Service Package Number:

(Tennessee transportation contract #)

A _____
B _____
C _____

Tennessee Meter Number (Gate Station) Reference:

Nashua _____ 020132 Hooksett _____ 020254
Londonderry _____ 020632 Suncook _____ 020451
Manchester _____ 020133 Laconia/Concord _____ 020426

Therm to MMBtu Conversion Example:

Goal: To receive 400 Therms at your facility

Desired Therms	MMBtu Conversion Factor	Required MMBtu
400	Therms / 10	40 MMBtu

Note to Firm Transportation Customers: At the end of the month the total volume of metered gas will be multiplied by 1.022 for system loss allowance.

Signature: _____

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Imbalance Trading/Standby Service TRANSPORTATION NOMINATION FORM

EnergyNorth Natural Gas, Inc.
Gas Supply Department
201 Rivermoor Street
West Roxbury, MA 02132
Tel. #: (617) 723-5512 Fax #: (617) 363-9715

Contacts:	Dawn Querzoli, Customer Choice Analyst	Ext. 4743
	Katy Barrett, Manager Customer Choice	Ext. 4734
	Liz Danehy, Director Customer Choice	Ext. 4730

Customer Information

These nominations will not roll over from one day to the next. Standby Service nominations are purchases of supply from EnergyNorth to a specific customer. Imbalance Trading nominations are two-part nominations requiring a source of supply and a corresponding destination for the same volume (therms).

Effective Date: <u> </u> / <u> </u> / <u> </u> MM DD YY	Check Appropriate Box	Imbalance Trade		
	Type of Nomination:			

Supply Source and Volume		Supply Destination and Volume	
#1			
Source:	Terms:	Destination:	Terms:
#2			
Source:	Terms:	Destination:	Terms:
#3			
Source:	Terms:	Destination:	Terms:
#4			
Source:	Terms:	Destination:	Terms:
#5			
Source:	Terms:	Destination:	Terms:
#6			
Source:	Terms:	Destination:	Terms:
#7			
Source:	Terms:	Destination:	Terms:
#8			
Source:	Terms:	Destination:	Terms:
#9			
Source:	Terms:	Destination:	Terms:

Signature:

***ENERGYNORTH NATURAL GAS, INC.
d/b/a KEYSPAN ENERGY DELIVERY NEW
ENGLAND***

INTERRUPTIBLE TRANSPORTATION

SERVICE AGREEMENT

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ENERGYNORTH NATURAL GAS, INC.

INTERRUPTIBLE TRANSPORTATION SERVICE AGREEMENT

ARTICLE I.

PREAMBLE

This agreement is made this _____ day of _____, _____ by and between EnergyNorth Natural Gas, Inc., d/b/a KeySpan Energy Delivery New England, a New Hampshire corporation with its principal place of business at 1260 Elm Street, Manchester, New Hampshire 03105 (Company), and _____ a _____ corporation with its principal place of business at _____ (Customer).

Service under this agreement will commence (as defined by EnergyNorth Natural Gas, Inc.) on the _____ day of _____, _____ and shall be referred to as the effective date of service.

WITNESSETH:

WHEREAS, Customer owns or has access to volumes of natural gas which can be delivered through the Tennessee Gas pipeline system (Transportation Pipeline) which it desires to have transported to its facility located at _____ (Customer's Facility); and

WHEREAS, Company is willing to receive, transport and deliver such gas to Customer at Customer's facility;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and subject to the laws and regulations of the State of New Hampshire, the parties do covenant and agree as follows:

ARTICLE II.

GOVERNING LAW

This agreement shall be subject to the General Laws of the State of New Hampshire and the Terms and Conditions as authorized from time to time by the New Hampshire Public Utilities Commission (the Commission), to the extent such terms and conditions apply to the transportation of natural gas or other terms and conditions of service. In the event of a conflict between said Terms and Conditions applicable to transportation services and the provisions of this agreement, this agreement shall govern. This agreement shall be further subject to any Commission order affecting transportation service.

ARTICLE III.

DEFINITIONS

Daily Metered Quantity - The actual quantity of gas used by the Customer during the Gas Day as measured by the Company's metering equipment at the Delivery Point.

Daily Overtake Quantity - An Imbalance in which the difference between the Daily Metered Quantity and the Daily Scheduled Quantity is a positive number, i.e., where Daily Metered Quantity exceeds the Daily Scheduled Quantity.

Daily Scheduled Quantity - The quantity of gas scheduled to be received during the Gas Day by the Company at the Receipt Point for the account of Customer, for redelivery at the Delivery Point during the same Gas Day.

Daily Undertake Quantity - An Imbalance in which the difference between the Daily Metered Quantity net of the Daily Scheduled Quantity is a negative number, i.e., where Daily Metered Quantity is less than the Daily Scheduled Quantity.

Delivery Point - A location where the Company's distribution facilities are interconnected with the Customer's facility and where the Customer's gas will be delivered by the Company.

Gas Day - A period of twenty-four (24) consecutive hours beginning at 10:00 a.m. E.T., and ending at 10:00 a.m., the next calendar day.

Imbalance - The difference, during the Gas Day, between the Daily Scheduled Quantity and Daily Metered Quantity.

Marginal Cost - The variable cost of the Company's marginal source of gas, including variable Transportation Pipeline charges, for the Gas Day.

Maximum Daily Quantity (MDQ) - The maximum gas quantity which Customer has a right to use and the Company is obligated to deliver during any Gas Day. The quantity shall be no greater than the Customer's hourly connected load times twenty-four (24) hours.

Receipt Point - An interconnection between the Customer's Transporting Pipeline and the distribution facilities of the Company where gas will be received by the Company for transportation in its service territory.

Swing Tolerance Level - The daily Imbalance allowance between the Daily Scheduled Quantity and the Daily Metered Quantity at the Delivery Point. The default level will be $\pm 10\%$, but can be adjusted by the Company only if Tennessee Gas Pipeline (TGP) imposes tighter tolerance levels (i.e., TGP may issue an Operational Flow Order (OFO) restricting the Company to a tighter swing tolerance level). Notice will be given to customers before any changes are made to the Swing Tolerance Level as defined in Article X, Paragraph G.

Transportation Pipeline - The person(s), Company(ies) or other party(ies), engaged in the business of rendering transportation service of natural gas in interstate commerce, subject to the jurisdiction of the Federal Energy Regulatory Commission, which the person(s), Company(ies) or party(ies) is (are) transporting gas for Customer's account to the Receipt Point of the distribution facilities of the Company.

ARTICLE IV.

SERVICE TO BE PROVIDED BY COMPANY

A. Company will receive from Customer, at the Receipt Point(s) designated in Exhibit A, volumes of natural gas up to a Maximum Daily Quantity (MDQ) as defined in Exhibit A of this agreement, subject to its rights under Article IV, Paragraph (C), hereunder. Company will use its best efforts to transport this MDQ of natural gas to Customer at Customer's Facility.

B. Transportation service will be provided on a best efforts basis and will be subject to interruption and/or curtailment to the extent the Company determines in its sole judgment such interruption to be necessary to ensure continued service to the Company's firm sales and firm transportation customers. All curtailments or interruptions by Company will be made in accordance with Article XI and the Company's Supply and Capacity Shortage Allocation Policy.

C. Company will give Customer at least two hours advance notice by telephone of any such curtailment or interruption at Customer's telephone number(s) as defined in Exhibit A and Customer shall be available to receive such notice twenty four (24) hours a day, seven (7) days a week. Upon receipt of such notice, Customer shall curtail or discontinue the use of gas from the delivery point within two hours. In the event of a major system failure, Customer agrees to discontinue gas use as soon as possible after notification from Company. In the event of any failure to curtail or discontinue gas use, Customer will pay Company an additional charge of One Dollar and Fifty Cents (\$1.50) per therm for all unauthorized gas use after the conclusion of the two hour notification period. Notwithstanding any payment of such additional charge, Company may discontinue transportation service to Customer if Customer fails to comply with its obligations to discontinue use in accordance with the provisions of this contract, which failure by Customer shall constitute an Event of Default as defined in Article XII.

D. Insofar as practicable, Customer shall arrange for transportation quantities at a uniform rate throughout the day.

E. The Receipt Point(s) at the Company's city gate set forth in Exhibit A may be changed only by mutual agreement. Customer shall include any proposed changes in the Company's city gate Receipt Point(s) with its nomination submitted for service on the first day of a given month. Company reserves the right to reject such proposed changes.

F. It is understood that Company has no obligation to provide service under this agreement other than on the interruptible basis described above. Customer warrants and agrees that it shall maintain complete alternate standby fuel and equipment available for use in the event of curtailment or interruption of service. Customer agrees that Company has the right

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to inspect such equipment, but not an obligation to inspect nor to ensure that such standby equipment is adequate for Customer's requirements.

Notwithstanding the foregoing, Company shall not be liable to Customer or to Customer's customers for any loss or damage incurred by Customer resulting from (a) any curtailment or interruption, including a permanent interruption in the delivery of the transportation volume, whether or not notice of such curtailment or interruption is given, or (b) any variation in the quality or pressure of the transportation volume delivered.

G. Nothing herein shall be construed as obligating Company to construct additional facilities. If new or additional facilities, other than remote metering costs, are required on the Company's system for Customer to receive interruptible transportation service, Customer shall prepay for the facilities.

If Customer converts to this service from another service classification without satisfying payment of facilities costs in the Company's Service and Main Extension tariff, the costs of facilities unrecovered by the company must be prepaid by the customer.

H. The Company's As Available Gas Supply Service is available in conjunction with this Interruptible Transportation Service.

I. In the event the Company, during a curtailment or interruption, requires emergency gas, and takes the gas of Customer, Customer shall be compensated for such emergency gas at the Customer's alternate cost of fuel as demonstrated to the reasonable satisfaction of the Company.

ARTICLE V.

CUSTOMER RESPONSIBILITIES

A. Customer shall provide Company with a written nomination, with information sufficient for the Company to confirm nominations, substantially identical to Exhibit B1, stating the maximum volume to be transported by Company during the next day. Such nominations must be received on or before 8:00 a.m. of each Gas Day, unless a standing nomination for each Gas Day has been received twenty-four (24) hours before the interstate pipeline nominations are due for the month, in order to be effective for the next day, provided, however, that earlier nominations may be required. Company will notify Customer if an earlier nomination deadline is required by another transporter. If no nomination is made by Customer with respect to a particular source, the nomination will be deemed to be the nomination for the previous day unless a standing nomination is in effect. Any gas takes outside such previous nominated volumes will be treated in accordance with Article X and the other provisions of this Agreement.

Nominations for delivery of gas on the first day of any month will be provided to the Company twenty-four (24) hours before the interstate pipeline nominations are due for the next month. The nomination shall be transmitted to EnergyNorth Natural Gas, Inc., Gas Supply Department Fax No. (603) 623-4644, Attention: Gas Dispatch Supervisor, and such nominations shall not be deemed made until received.

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This nomination provides Company with notice of Customer's expected transportation requirements and does not alter any other provisions of this agreement. It is Customer's responsibility to ensure that volumes delivered by the Transportation Pipeline to the Customer's Receipt Point(s) conform with the terms of this agreement.

B. Customer shall be solely responsible for securing faithful performance by the Transportation Pipeline and/or its suppliers in all matters which may affect Company's performance hereunder, and Company shall not be liable hereunder to Customer or to any other person as a result of the failure of the Transportation Pipeline or Customer's suppliers to so perform.

C. When any of Customer's sources of gas are also sources of gas for other transportation customers of Company and they have a common agent, at a given interstate pipeline meter, agent shall provide a common daily nomination covering all customers delivering gas from such source. Customer hereby appoints the party identified in Exhibit A or a subsequently designated agent pursuant to the Agency Agreement as its agent for the purposes of making such nominations and determining the proper allocation of volumes among all affected customers. In the event all nominated volumes are not delivered and in the absence of an agent designation, allocation methods by the Company will be pro rata as among such customers.

ARTICLE VI.

TERM

The term of this agreement shall commence on its effective date as provided in Article I, above, and shall continue until the following July 31. This agreement shall further continue thereafter for successive one year periods ending July 31 of each subsequent year, subject to the right of Company or Customer to terminate this agreement by written notice delivered to the other at least sixty (60) days prior to the end of the respective one year period.

ARTICLE VII.

MEASUREMENT OF TRANSPORTATION VOLUMES

A. The volumes of gas delivered hereunder to Customer shall be determined by use of measuring equipment which the Company owns and operates. Any additional metering equipment required to provide service hereunder shall be selected, installed and maintained by Company, including but not limited to remote-controlled telephone and metering equipment (Remote Metering) required to allow Company to instantaneously monitor Customer's usage.

B. In the event any meter fails to register, or registers incorrectly, Company shall reasonably determine the length of the period for which such meter failed to register or registered incorrectly and, based upon Company records of Customer usage indicating the prior gas usage of its equipment and other information, and the quantity of gas delivered during such period, the Company will make an appropriate adjustment based thereon. For the purpose of this section, any meter which registers not more than two (2) percent higher or lower than actual shall be deemed correct.

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In addition, Customer shall furnish and maintain, at no cost to Company, the necessary space, housing, fencing, and foundations for the meters, regulators, and other gas equipment owned by Company and installed upon Customer's premises, whether such equipment is furnished by Customer or Company. Such space, housing, fencing, and foundations shall be in conformity with public laws and regulations, and subject to Company's specifications and approval.

C. Meter readings for normal billing purposes will be taken, if practicable, daily at approximately 10:00 a.m. through the Remote Metering referred to in Section A of this Article. Remote Metering will be designed to monitor and record the Customer's maximum consumption during any given twenty-four hour time period. If Remote Metering is utilized, Company shall make an on-site meter reading each month at Customer's Facility to verify the Remote Metering. If there is any inconsistency between an on-site meter reading and the Remote Metering, Company shall make reasonable adjustments in the latter type of readings to make them consistent with the on-site readings.

D. Company, at its expense, shall periodically inspect and test its meters and shall replace its meters at intervals not exceeding the period designated for replacement by the New Hampshire General Laws, as amended or superseded from time to time. At the written request of Customer, Company shall make additional tests of any such meters in the presence of Customer's representatives. The cost of such additional tests shall be borne by Customer whenever the error is found not to be greater than two (2) percent.

E. Customer shall furnish, own, maintain, and operate at its expense the complete system of such piping and appurtenance on Customer's side of the Delivery Point as are sufficient for the proper utilization of the gas to be transported hereunder.

F. Customer shall provide Company such reasonable rights of way on and rights of entry to Customer's Facility as may be required by Company in connection with this agreement, including without limitation, access for any removal, use, maintenance and periodic inspection of all Company's pipe and metering.

ARTICLE VIII.

PRESSURE AND QUALITY

A. The natural gas to be transported hereunder shall be received by Company from the Transportation Pipeline at the Receipt Point and shall be delivered to Customer at the Delivery Point.

B. Deliveries of gas by or on behalf of Customer to Company shall be made against the distribution pipeline pressure existing in Company's distribution system. Company will not be obligated to alter such distribution pipeline pressure. Company shall deliver natural gas hereunder to Customer at the Customer's Delivery Point at the Company's system pressure.

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C. The natural gas delivered hereunder by the Transportation Pipeline to Company shall be of at least the same quality as that specified in the Transportation Pipeline's Federal Energy Regulatory Commission Gas Tariff governing deliveries by the Transportation Pipeline to Company. The gas delivered hereunder by Company to Customer shall be of similar quality as that delivered generally to the Company's firm customers. It is understood by Customer that Company, from time to time, may supplement its system supply with other alternative sources of gas, including, without limitation, vaporized liquefied natural gas and propane gas.

ARTICLE IX.

RATES AND BILLING

A. Rates. Any transportation services used by the Customer pursuant to this agreement shall be charged to Customer pursuant to the tariffed rate, attached hereto as Exhibit B and the terms of this agreement.

B. Billing.

1. Customer shall pay its bills monthly. Any amounts not paid prior to the due date; normally the next following meter reading date and a date not less than twenty-five (25) days from the date the bill is mailed, are subject to a late payment charge of one and one half percent (1 1/2%) per month on the unpaid balance.

2. If the Transportation Pipeline invoice is reissued and adjusts the quantity of transportation gas delivered to Company for the account of Customer, a corresponding adjustment shall be made in the next bill rendered to Customer after receipt of such invoice by Company, or as soon as practicable.

3. In addition to other payments provided for herein, Customer shall pay to Company the amount of any governmental assessment or tax on the transportation of gas, in effect at the time service is provided, which Company may hereafter be required to pay or collect by any federal, state or local law.

ARTICLE X.

BALANCING SERVICE AND CHARGES

A. Customer Responsibility

It is the responsibility of the Customer to control and, if necessary, adjust receipts of gas by the Company at the Receipt Point(s) to be in balance with deliveries of such gas by the Company to the Delivery Point(s). The Company shall not be obligated to receive or deliver gas in excess of the Daily Scheduled Quantity by the Customer, nor shall the Company be obligated to deliver to the Customer at the Delivery Point quantities of gas in excess of the quantities received for Customer at the Receipt Point(s). The Customer is responsible for keeping informed as to its Daily Metered Quantity, and for making appropriate adjustments to its consumption of gas to ensure that the Imbalance is kept as near to zero as practicable. The Company will monitor, to the best of its ability, actual receipts and deliveries under this Agreement and shall have this information available upon customer request four (4) hours after completion of each Gas Day during normal business hours.

Any adjustment to scheduled receipts and deliveries by Customer, whether or not pursuant to notification from Customer's Transportation Pipeline, shall be coordinated with the Company and shall be in accordance with the Company's scheduling procedures. In order to balance quantities received and delivered by the Company pursuant to this Agreement, Company shall not be obligated to accept quantities of gas for the account of Customer or deliver gas to Customer at points other than as originally scheduled by Customer and accepted by Company pursuant to this Agreement.

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B. Daily Imbalance Requirements and Charges

The Customer shall manage gas usage and gas supplies so as to limit any Daily Overtake or Undertake to the Company's Swing Tolerance Level, usually 10% of the Daily Scheduled Quantity, unless there is timely notice of a different level consistent with TGP tolerances. The Company agrees to give Customer as much notice as possible but not less than eight hours before the requirement to change the tolerance level, or notice shall be pursuant to Article X, Paragraph G, Operational Flow Orders. There shall be a daily Imbalance charge of \$.04836 per therm for Overtake or Undertake Quantities that exceed the Swing Tolerance Level percentage of the Daily Scheduled quantity. On any given Gas Day in the month, should the Company be in an Imbalance situation greater than the current daily Imbalance percentage with its Transportation Pipeline, the Company shall assign these Imbalance charges assessed to the Company by upstream pipelines to the two groups of customers that the Company provides service to, i.e. sales and transportation customers, based on the extent that each group caused such charges. The portion of any such charges assigned to sales customers shall be included in an appropriate deferred gas cost account. The portion of any such charges assigned to transportation customers shall be further assigned to individual transportation customers based on the extent to which each transportation customer caused such charges. The charges, if any, assigned to each transportation customer, shall be included along with the appropriate documentation in the Customer's monthly bill.

Any quantities of gas taken under non-curtailement conditions over the MDQ shall be considered unauthorized use and paid for at the charge of One Dollar and Fifty Cents (\$1.50) per therm and these quantities shall not be subject to the Monthly Imbalance Charges at Paragraph E.

C. Imbalance Trading

Customers shall be allowed to enter into agreements to trade offsetting daily Imbalances that occur on the same Gas Day, subject to the provisions of this Agreement. Customers entering into such agreements, however, shall remain responsible both separately and severally for any remaining Imbalance charges or overrun charges resulting from the parties' transportation activity occurring on such Gas Day. The parties to such agreement shall notify the Company of the proposed agreement within forty-eight (48) hours of the end of the Gas Day on which the Imbalances occurred by completion of the Transportation Nomination Form attached to this agreement as Exhibit B. Customers are required to use this Nomination Form for all Imbalance trades. The Company has the right to extend the trading period and/or reject any proposed trade arrangements for operational considerations. By approving the proposed trade arrangement, the Company assumes no responsibilities for enforcing any of the terms of the arrangement between the parties to any such agreement. Nothing herein shall prohibit the Company from trading Imbalances with its transportation customers.

D. Monthly Imbalance Charges

Unless the Company and Customer agree to correct Imbalances in kind on a non-discriminatory basis, the end of month Imbalance, if less than or equal to 5%, will be cashed out at the Company's cashout price, and monthly Imbalances, to the extent they exceed 5%, will be cashed out at the Company's cashout price plus an additional percentage for customer overtakes and at the cashout price minus an additional percentage for customer undertakes. See Schedules A and B

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The Company's cashout price referenced in the following Schedules A and B shall be calculated as follows: When supplemental supplies are not being dispatched and when a Customer's monthly Imbalance is an undertake and the Company purchases the imbalance gas from the Customer, the cashout price shall be the Tennessee cashout price (market area, appropriate month) increased to reflect TGP fuel retention from zone 0 to zone 6 (FT-A fuel = 8.71% winter and 7.42% summer) plus the pipeline commodity (volumetric) charges for the effective TGP FT-A rate schedule including base rates plus all associated surcharges.

Example A:

TGP Cashout	=	\$2.20
Fuel Retention	=	8.71% (winter)
Eff. TGP Cashout	=	\$2.4099
FT-A 0-6 Commodity	=	\$ Base Rate
	=	\$0.0022 ACA (FERC approved surcharge)
	=	\$0.0075 GRI (FERC approved surcharge)
	=	\$0.0000 Other surcharge
Total ENGI Cashout	=	\$2.5804 per Dth/10 = \$0.2580 per therm

When supplemental supplies are not being dispatched, and when a customer's monthly Imbalance is an Overtake and the Company sells the imbalance gas to the customer, the cashout price shall be the Tennessee cashout price (market area, appropriate month) increased to reflect TGP fuel retention from zone 0 to zone 6 (FT-A/IT fuel = 8.71% winter and 7.42% summer) plus the average pipeline commodity (volumetric) charges for the effective TGP FT-A and IT rate schedules including base rates plus all associated surcharges.

Example B:

TGP Cashout	=	\$2.20
Fuel Retention	=	8.71% (winter)
Eff. TGP Cashout	=	\$2.4099
FT-A 0-6 Commodity	=	\$1608 Base Rate
IT 0-6 Commodity	=	\$0.7647 Base Rate (TGP Tariff)
FT-A/IT Average	=	\$0.4648 Base Rate (TGP Tariff)
	=	\$0.0022 ACA (FERC approved surcharge)
	=	\$0.0085 GRI (FERC approved surcharge)
	=	\$0.000 Other surcharge
Total ENGI Cashout	=	\$2.8727 per Dth/10 = \$0.28727 per therm

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Schedule A

<u>Percent Monthly Imbalance</u>	<u>Company charges percentage of Cashout Price</u>
First five percent (0 - 5 %)	100%
Next five percent (> 5 - 10%)	115%
Next five percent (> 10 - 15%)	130%
Next five percent (> 15 - 20%)	140%
Over twenty percent (> 20%)	150%

Schedule B

<u>Percent Monthly Imbalance</u>	<u>Company charges percentage of Cashout Price</u>
First five percent (0 - 5 %)	100%
Next five percent (> 5 - 10%)	85%
Next five percent (> 10 - 15%)	70%
Next five percent (> 15 - 20%)	60%
Over twenty percent (> 20%)	50%

E. Limitations of Balancing Service

If the Company determines, at its sole discretion, that a transportation customer is intentionally acting so as to financially gain from the provisions for Monthly or Daily Imbalance Charges or Monthly Imbalance Credits as provided for in the Company's Transportation Agreement, the Company shall, upon such a determination, first provide an Initial Notification of Balancing Limitations by telephone or telephone facsimile. The Initial Notification shall include a description of corrective actions that the customer must take, and shall have a deadline of not less than twenty-four (24) hours for initiating the corrective actions. If the transportation customer does not satisfy the requirements set forth in the Initial Notification, the Company shall issue a Second Notification of Balancing Limitations. Starting with the first gas day after the issuance of the Second Notification, any Daily Imbalance Charge as provided for in Article X, B, of this Agreement, shall be increased by a Balancing Surcharge of \$0.10 per therm. In addition, for that month, the Monthly Imbalance Charges provided for in Article X, E, Schedule B of the Company's tariffs shall be increased by a Balancing Surcharge of \$0.10 per therm and the Monthly Imbalance Credits provided for in Article X, E, Schedule B shall be decreased by a Balancing Surcharge of \$0.10 per therm. The Balancing Surcharge shall remain in effect until the longer of: (1) three gas days, or (2) one gas day after the transportation customer satisfies the provisions of the Initial Notification of Balancing Limitations. The Company may charge the Balancing Surcharge of \$0.10 per therm starting the next gas day after issuing a Notification of Balancing Limitations - Repeat Offender to any customer that has been issued an Initial Notification according to the provisions of this section one (1) time previously in the last thirty (30) days or two (2) times previously in the last ninety (90) days. The Balancing Surcharge shall remain in effect until the longer of: (1) three gas days, or (2) one gas day after the transportation customer satisfies the provisions of the Notification of Balancing Limitations - Repeat Offender.

The Company's determination as to restrictions on Balancing Services pursuant to this section shall be appealable to the Commission.

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F. Operational Flow Order

The Company shall have the right to issue an Operational Flow Order(s) (OFO) to its Customers if an OFO has been issued by its Transportation Pipeline which may limit the amount of service available and may contain more restrictive balancing provisions, among other things. OFO's shall be issued via telephone to be followed by a facsimile. The OFO will set forth (a) the time and date of issuance; (b) the actions Customer is required to take; (c) the time by which Customer must be in compliance with the OFO; (d) the anticipated duration of the OFO; and (e) any other terms which the Company may reasonably require to ensure the effectiveness of the OFO. If the Company cannot contact the Customer due to the Customer's failure to have a person available, such Customer shall be solely responsible for any consequences, including but not limited to equipment breakdown, lost production, freezing of pipes, etc., which could have been prevented by such communication. During an OFO, the daily Imbalance charge at Schedule B may be adjusted to reflect the Imbalance charges assessed by the Company's Transportation Pipeline. During an OFO, the Customer shall nominate on a daily basis the expected Daily Metered Quantity and will not be allowed to use any prior Imbalance that may have accumulated prior to the OFO.

ARTICLE XI

FORCE MAJEURE

A. If either the Company or the Customer is rendered unable by force majeure to wholly or in part carry out its obligations under the provisions of this Agreement, the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period; and such cause shall, insofar as possible, be remedied with all reasonable dispatch.

B. The term "force majeure" as employed herein, shall mean acts and events not within the control of the party claiming suspension and shall include acts of God, strikes, lockouts, material or equipment or labor shortages, wars, riots, insurrections, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, interruptions by government or court orders, present or future orders of any regulatory body having proper jurisdiction, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or pipelines, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of reasonable foresight, such party if unable to avoid and, by the exercise of due diligence, such party is unable to overcome.

ARTICLE XII.

DEFAULT

If either party shall fail to perform or otherwise be in default of any of its obligations under this agreement (Event of Default), the other party may terminate this agreement by giving the defaulting party written notice stating specifically the nature of the default and giving notice of termination. Any termination of this agreement shall be without prejudice to the right of the Company to collect any payments due Company for transportation service prior to the time of termination including interest and any properly applied charges for imbalance. Company is entitled to costs or attorneys' fees incurred in pursuing collection of any monies owed Company by Customer. No waiver by either party of any Event of Default of the other under this agreement shall operate as a waiver of any future Event of Default, whether of like or different character or nature.

ARTICLE XIII

MISCELLANEOUS

A. Customer shall be deemed to be in exclusive control and possession of transportation gas until such gas has been delivered to Company by Transportation Pipeline. Company shall be deemed to be in control and possession of gas delivered to it by the Transportation Pipeline for Customer in accordance with this agreement until such gas has been delivered to Customer at the Delivery Point, after which Customer shall be deemed to be in control and possession thereof. Customer shall have no responsibility, except as otherwise provided by agreement, with respect to the gas from the Receipt Point until it passes the Delivery Point.

B. Neither Company nor the Customer shall be liable to the other, or party claiming through the other, for special or consequential damages, and each agrees to hold the other harmless against such claims.

C. Customer warrants that it will, at the time of delivery to Company of gas from the Transportation Pipeline, have good and merchantable title to all gas so delivered to Company. Customer indemnifies Company and holds it harmless from all suits, actions, debts, accounts, damages, costs, losses and expense arising out of the adverse claims of any ant persons to said gas and/or to royalties, taxes, licenses, or charges thereon with which are applicable to such gas and/or the delivery of such gas to Company transportation hereunder. Title to the gas received, transported and delivered at all times shall remain with Customer and shall not pass to Company.

D. Customer shall provide Company with information sufficient for the Company to transport gas and shall notify Company in writing of any modification to such information, occurring or made effective after the execution of this agreement. Any such modification of information shall not obligate Company to modify this agreement in accordance therewith, but Company retains the right to do so.

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E. Company is a public utility subject to regulation by New Hampshire Public Utilities Commission. This agreement must be filed with the Commission accordance with New Hampshire General Laws and shall, subject to any disapproval or limitation imposed by the Commission, become effective on the thirty-first day after the date of such filing or on such later date as may be ordered by Commission. Compliance by Company with any order of the Commission or any other federal, state or local government authority acting under claim of jurisdiction issued before or after the effective date of this agreement, shall not be deemed to be a breach hereof. The provisions in this agreement shall be subject to review and determination by the Commission in any proceeding brought under provisions of the New Hampshire General Laws. In the event of the issuance of an order of the Commission under the New Hampshire General laws, which modifies the provisions of this contract, either Company or Customer, if affected adversely by such order, shall have the option within thirty (30) days after the issuance of such order to terminate this agreement by giving notice of termination to the other party.

F. All notices required or permitted to be given hereunder shall be deemed given upon mailing such notices by registered or certified mail, postage prepaid, addressed as follows:

If to Customer:

If to Company:

EnergyNorth Natural Gas, Inc.
201 Rivermoor Street
West Roxbury, MA 02132
Attention: Director, Customer Choice and Energy Supply

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed by their authorized officers as of the date first written above.

For Customer

By: _____
Title: _____

Date: _____

Witness: _____

EnergyNorth Natural Gas, Inc.
d/b/a KeySpan Energy Delivery New England

By: _____
Title: _____

Date: _____

Witness: _____

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KEYSPAN ENERGY DELIVERY**

ORIGINAL ATTACHMENT C

Exhibit A

Revised 5/13/99

**ENERGYNORTH NATURAL GAS, INC.
TRANSPORTATION CONTRACT ELECTION FORM**

EnergyNorth Natural Gas, Inc.
Gas Supply Department
201 Rivermoor Street
West Roxbury MA 02132
Tel. #: ((617) 723-5512
Fax #: (617) 363-9715

Effective Date: _____

Customer Information

Company (Account) Name: _____

Facility Address: _____

Pipeline City Gate (Receipt Point) Meter No.: _____

Premise (Account) Number: _____ **Meter No.:** _____

Company Representative: _____

Telephone No.: _____

Fax No.: _____

Authorized Agent (Marketing Company): Refer to the Agency Authorization Agreement

Authorized Agent (Marketing Representative): Refer to the Agency Authorization Agreement

Authorized Agent (Telephone No.): Refer to the Agency Authorization Agreement

Contract Service Elections

Maximum Daily Quantity (MDQ): _____ **Therms**

Customer Authorization: _____

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KEYSPAN ENERGY DELIVERY**

ORIGINAL ATTACHMENT C

Revised 5/13/99

Exhibit B1

PIPELINE TRANSPORTATION NOMINATION FORM

EnergyNorth Natural Gas, Inc.
Gas Supply Department
201 Rivermoor Street
West Roxbury, MA 02132

Tel. #: (617)723-5512

Fax #: (617)363-9715

Contacts:

Dawn Querczoli, Customer Choice Analyst

Ext. 4732

Kathy Barrett, Manager customer

Ext. 4734

Liz Danehy, Director Customer Choice

Ext. 4730

Customer Information:

Company Name: _____

Facility Address: _____

Contact Name: _____

Telephone #: _____ Fax #: _____

Account #: _____ Customer Meter No.: _____

EnergyNorth Transportation Information:

Start Date: ____/____/____ 10:00 am (Eastern Time)

Note: This nomination will roll over from one day to the next through the last day of each month unless customer submits a new nomination. If weekend load is different than weekday load, note it in the appropriate space below and we will adjust weekend nomination confirmations with Tennessee Gas Pipeline accordingly. Also, let EnergyNorth know if nomination changes are needed for holidays.

Agent/Supplier: _____ Tel. #: _____

Daily Transportation Volume Request (Therms):

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Other
A _____	A _____	A _____	A _____	A _____	A _____	A _____	A _____
B _____	B _____	B _____	B _____	B _____	B _____	B _____	B _____
C _____	C _____	C _____	C _____	C _____	C _____	C _____	C _____
Therms	Therms	Therms	Therms	Therms	Therms	Therms	Therms

Tennessee Gas Pipeline Information / Daily gas volume nominations to EnergyNorth gate stations:

A _____	A _____	A _____	A _____	A _____	A _____	A _____	A _____
B _____	B _____	B _____	B _____	B _____	B _____	B _____	B _____
C _____	C _____	C _____	C _____	C _____	C _____	C _____	C _____
MMBtu	MMBtu	MMBtu	MMBtu	MMBtu	MMBtu	MMBtu	MMBtu

Downstream Service Package Number:

(Tennessee transportation contract #)

A _____
B _____
C _____

Tennessee Meter Number (Gate Station) Reference:

Nashua _____ 020132 Hooksett _____ 020254
Londonderry _____ 020632 Suncook _____ 020451
Manchester _____ 020133 Laconia/Concord _____ 020426

Therm to MMBtu Conversion Example:

Goal: To receive 400 Therms at your facility

Desired Therms	MMBtu Conversion Factor	Required MMBtu
400	Therms / 10 =	40 MMBtu

Note to Firm Transportation Customers: At the end of the month the total volume of metered gas will be multiplied by 1.022 for system loss allowance.

Signature: _____

Revised 8/28/01

Exhibit B2

ORIGINAL ATTACHMENT C

Imbalance Trading/Standby Service TRANSPORTATION NOMINATION FORM

EnergyNorth Natural Gas, Inc.

Gas Supply Department

201 Rivermoor Street

West Roxbury, MA 02132

Tel. #: (617) 723-5512

Fax #: (617) 363-9715

Contacts: Dawn Querzoli, Customer Choice Analyst Ext. 4743
Kathy Barrett, Manager Customer Choice Ext. 4734
Liz Danehy, Director Customer Choice Ext. 4730

Customer Information

These nominations will not roll over from one day to the next. Standby Service nominations are purchases of supply from EnergyNorth to a specific customer. Imbalance Trading nominations are two-part nominations requiring a source of supply and a corresponding destination for the same volume (therms).

Effective Date: <u> </u> / <u> </u> / <u> </u> MM DD YY	Check Appropriate Box	Imbalance Trade		
	Type of Nomination:			

Supply Source and Volume		Supply Destination and Volume	
#1			
Source:	Therms:	Destination:	Therms:
#2			
Source:	Therms:	Destination:	Therms:
#3			
Source:	Therms:	Destination:	Therms:
#4			
Source:	Therms:	Destination:	Therms:
#5			
Source:	Therms:	Destination:	Therms:
#6			
Source:	Therms:	Destination:	Therms:
#7			
Source:	Therms:	Destination:	Therms:
#8			
Source:	Therms:	Destination:	Therms:
#9			
Source:	Therms:	Destination:	Therms:

Signature: _____

III DELIVERY TERMS AND CONDITIONS

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Third Revised Page 153
Superseding Second Revised Page 153

ATTACHMENT D

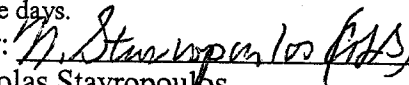
Schedule of Administrative Fees and Charges

- | | | |
|-----|----------------------------|--|
| I. | Supplier Balancing Charge: | \$0.13 per MMBtu of Daily Imbalance Volumes* |
| II. | Capacity Mitigation Fee | 15% of the Proceeds from the Marketing of Capacity for Mitigation. |
| III | Peaking Demand Charge | \$19.44 MMBtu of Peak MDQ |

* The difference between the ATV and the recalculated ATV adjusted for actual degree days.

Issued: October 29, 2003

Issued by:


Nickolas Stavropoulos

Effective: November 1, 2003

Title: Executive Vice President

Issued in compliance with NHPUC Order No. 24,227 dated October 29, 2003 in Docket DG 03-160.

EXHIBIT A
COMPANY SPECIFIC PROVISIONS

CONDITIONS PRECEDENT:

Completed Supplier Application

NOMINATIONS AND SCHEDULING:

All nominations should be forwarded to the Company via the following means:

Nominations should be forwarded to the following individuals:

BILLING AND PAYMENT:

All payments should be submitted to the Company via the following means:

and addressed as follows:

COMMUNICATIONS:

All notices and information addressed to the Company shall be addressed as follows:

All notices and information addressed to the Supplier shall be addressed as follows:

EXHIBIT B
COMPETITIVE SUPPLIER INFORMATION

PREDETERMINED ALLOCATION METHOD

In accordance with Section 6.3 of the Supplier Service Agreement the Supplier instructs Company to allocate any discrepancies in confirmed nominations as follows:

CAPACITY MITIGATION SERVICE

In accordance with Section 11.10.2 of the Company's Tariff, Supplier elects to designate the following contracts to be managed by the Company for cost mitigation purposes:

COMMUNICATIONS:

Inquiries to the Supplier may be made in the following means:

Inquiries to the Supplier shall be made to the following individuals:

CAPACITY ASSIGNMENT INFORMATION

Listed below are the capacity allocations for the upcoming month:

[illegible]

GAS SUPPLIER SERVICE AGREEMENT

This Agreement made this [day] day of [month], 200[x], between **EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England**, a New Hampshire Corporation with a principal place of business at [address] (the "Company") and [name of supplier], a [state] corporation with a principal place of business at [address] ("Supplier"). The Company and the Supplier are also individually referred to herein as a "Party" or collectively as the "Parties."

BASIC UNDERSTANDINGS

Whereas, the Company operates as a natural gas local distribution company and provides firm transportation of third-party gas on its distribution system; and

Whereas, the Company's Tariff (the "Tariff") on file with, and approved by, the New Hampshire Public Utilities Commission (the "NHPUC") permit delivery service customers to assign their rights of nominating and scheduling delivery of gas for transportation on the Company's system to a third-party natural gas supplier; and

Whereas, Supplier seeks to nominate and schedule delivery of gas for distribution on the Company's system on behalf of one or more customers taking delivery service from the Company; and

Whereas, the Company's Tariff, Part III, Section 20.2.3, requires Supplier to enter into this Supplier Service Agreement (the "Agreement") with the Company prior to the initiation of Supplier Service, as defined therein;

Now Therefore, the Parties hereto, each in consideration of the agreement of the other, do hereby agree as follows:

I. SCOPE AND APPLICATION

- 1.0 This Agreement shall be subject to the Company's Tariff as on file with the NHPUC and in effect from time to time. The Company's Tariff and applicable Rate Schedules are hereby incorporated by reference as though directly set forth herein. In the event the terms of this Agreement conflict with the Company's Tariff, the Tariff shall control.
- 1.1 This Agreement is intended for use between the Company and natural gas suppliers providing service to customers on the Company's distribution system, and may not be waived, altered, amended, or modified, except as provided herein.
- 1.2 Exhibits A and B, attached hereto and incorporated herein by reference, include additional terms that are a part of this Agreement.

II. DEFINITIONS

- 2.0 Any capitalized terms used in this Agreement and not defined herein shall be as defined in the Tariff or as stated in the NHPUC's regulations.

III. TERM

- 3.0 This Agreement shall become effective on the date hereof (the "Effective Date") and shall continue in full force and effect from month to month unless terminated by either Party by written notice given no less than thirty (30) days prior to the desired termination date, or unless otherwise agreed by the Parties. Notwithstanding the foregoing, the Parties agree to abide by all terms of this Agreement until any transactions that are outstanding at the time of termination are completed, including, but not limited to, the payment by Supplier to the Company of any and all outstanding balances.
- 3.1 Notwithstanding anything to the contrary elsewhere in this Agreement or in the Company's Tariff, any Party, by written notice to the other Party (the "Breaching Party") may terminate this Agreement, in whole or in part, with respect to such Breaching Party or suspend further performance without terminating this Agreement upon the occurrence of any of the following:

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KEYSPAN ENERGY DELIVERY.**

ORIGINAL ATTACHMENT E

- (a) the Breaching Party terminates or suspends doing business; (b) the Breaching Party becomes subject to any bankruptcy or insolvency proceeding under federal or state law (unless removed or dismissed within sixty (60) days from the filing thereof), or becomes insolvent, becomes subject to direct control of a transferee, receiver or similar authority, or makes an assignment for the benefit of creditors; or (c) the Breaching Party commits a material breach of any of its obligations under this Agreement or the Tariff and has not cured such breach within fifteen (15) days after receipt of a written notice from the other Party specifying the nature of such.
- 3.2 Consistent with the provisions of Part III, Section 20.3.8 of the Company's Tariff, the Company also maintains the right to terminate the Supplier's eligibility to act as a Supplier on the Company's system in the event that Supplier fails to comply with or perform any of the obligations on its part established in the Tariff or in this Agreement, including but not limited to, failure to deliver gas or to make payment of amounts due to the Company.
- 3.3 Notwithstanding the Effective Date, Supplier acknowledges and agrees that the Company is obligated to provide services pursuant to this Agreement only upon full satisfaction, or the Company's express written waiver, of the Conditions Precedent set forth in Article IV of this Agreement.
- 3.4 No delay by either Party in enforcing any of its rights hereunder shall be deemed a waiver of such rights, nor shall a waiver of one default be deemed a waiver of any other or subsequent default.
- 3.5 The enumeration of the foregoing remedies shall not be deemed a waiver of any other remedies to which either Party is legally entitled.

IV. CONDITIONS PRECEDENT

- 4.0 The following requirements shall be conditions precedent to the Company's obligations hereunder:
- (a) Supplier shall provide the Company with all information requested in Exhibits A and B attached hereto and incorporated herein;

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- (b) Pursuant to Part III, Section 20.3.1 of the Company's Tariff, the Company shall confirm the Supplier's creditworthiness. In the event that Supplier has not demonstrated to the Company's satisfaction that it has met the Company's credit evaluation standards, the Company will identify such deficiencies to the Supplier, and the Supplier shall provide financial assurances as required by the Company consistent with the provisions of Part III, Section 20.3.3;
- (c) Pursuant to Part III, Section 20.2.3 of the Company's Tariff, Supplier shall register with the NHPUC and provide evidence of such to the Company on an annual basis;
- (d) Pursuant to Part III, Section 20.2.3 of the Company's Tariff, Supplier shall demonstrate to the Company that it is an approved shipper on the upstream pipelines and underground storage facilities on which the Company will assign capacity;
- (e) Pursuant to Part III, Section 12.2.1 of the Company's Tariff, where Supplier elects to utilize the Standard Complete Billing Services from the Company, Supplier shall furnish to the Company a complete schedule of its relevant rates and rate pricing options for Supplier Service in written form or in an electronic format reasonably acceptable to the Company, at Company's option, no less than ten (10) Business Days prior to initial Customer enrollment for any such rate or prior to a change in Supplier's existing rates or five (5) Business Days prior to a change in rate pricing options.
- (f) Prior to Customer Enrollment, Supplier shall successfully complete testing of the business-transaction communication protocols established by the Company, which may include communication by fax or telephone, electronic transactions as specified by the Company, or any other applicable communication requirements set forth by the Company.

V. SUPPLIER CERTIFICATION

- 5.0 In addition to the requirements listed in Section IV of this Agreement, and pursuant to Part III, Section 20.3.2 of the Company's Tariff, the Supplier hereby affirms the following:

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- (a) Supplier is not operating under any chapter of bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any information creditors' committee agreement.
 - (b) Supplier is not aware of any change in business conditions that would cause a substantial deterioration in its financial conditions, a condition of insolvency, or the inability to exist as an ongoing business entity.
 - (c) Supplier has no delinquent balances outstanding for services previously provided by the Company, and Supplier has paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
 - (d) No significant collection lawsuits or judgments are outstanding that would materially affect Supplier's ability to remain solvent as a business entity.
 - (d) Supplier's New Hampshire business advertising and marketing materials conform to all applicable New Hampshire state and federal laws and regulations.
- 5.1 Supplier shall promptly notify Company of any material change in its financial condition as it relates to Supplier's creditworthiness or solvency as a business enterprise.
- 5.2 In the event that the NHPUC enacts regulations whereby Supplier must register with the NHPUC, Supplier shall notify Company within twenty-four (24) hours in writing in the event that its registration as a Competitive Supplier is acted upon by the NHPUC in such a way that it materially affects Supplier's performance under this Agreement, including but not limited to suspension, revocation, modification, or non-renewal. Consistent with Part III, Section 20.3.8 of the Company's Tariff, revocation or non-renewal of Supplier's registration shall be grounds for immediate termination of this Agreement by Company.

VI. NOMINATIONS AND SCHEDULING

- 6.0 The Company and Supplier, pursuant to the Company's Tariff on file with the NHPUC and the terms of this Agreement, agree to exchange and act on information regarding the nomination and scheduling of gas for transportation on behalf of Supplier's customers.
- 6.1 Supplier acknowledges and agrees that its transportation rights under this Agreement are solely those that have been assigned to it by the Customer pursuant to the Company's Tariff. Supplier further agrees that the Company shall have no obligation to honor any nomination or scheduling request from Supplier that, in the Company's sole judgment, exceeds the scope of Supplier's assigned rights or where such nominations or requests could be reasonably refused, directly or indirectly, based on the terms of this Agreement or the Company's Tariff.
- 6.2 Pursuant to Part III, Sections 9.3.2 and 10.3.3 of the Company's Tariff, nominations will be communicated to the Company in accordance with the terms of this Agreement as set forth in Exhibit A.
- 6.3 In the event of a discrepancy between the volume nominated to the Company by Supplier and the volume confirmed by the Company, the discrepancy shall be allocated between and among Supplier's Aggregation Pools and/or Customers in accordance with the Pre-Determined Allocation Method set forth in Exhibit B, attached hereto. In the event that the Supplier has not provided the Company with a Pre-Determined Allocation Method, the discrepancy will be allocated consistent with the provisions of the Company's Tariff.

VII. CAPACITY ASSIGNMENTS

- 7.0 The Supplier's Maximum Daily Peaking Quantity ("MDPQ") may be modified during the calendar year in accordance with the provisions of Part III, Sections 11.0 and 14.0 of the Company's Tariff. Company will notify Supplier prior to the effective date of such changes.
- 7.1 Pursuant to Part III, Section 11.9.2 of the Company's Tariff, the quantity of each Company-Managed Supply assigned to Supplier may be modified during the calendar year in accordance with Part III, Sections 11.4 and 11.8 of the Company's Tariff. Company will notify Supplier prior to the effective date of such changes.

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- 7.2 In accordance with Part III, Sections 11.0 and 14.0 of the Company's Tariff, the quantity of Capacity assigned to Supplier may be modified during the calendar year. In addition, the Company shall have the right to adjust a Customer's total capacity quantity ("TCQ") if the Company determines that the TCQ calculation is in error or is otherwise not calculated in accordance with the provisions of Part III, Sections 11.3.2.
- 7.3 Pursuant to Part III, Section 11.10.2 of the Company's Tariff, Supplier shall provide notice to the Company of its designation of contracts to be managed by the Company for cost mitigation purposes by the means set forth in Exhibit B.

VIII. LEFT BLANK INTENTIONALLY

(RESERVED FOR FUTURE USE)

IX. BILLING AND PAYMENT

- 9.0 Bills, fees and charges for services provided by the Company, including, but not limited to, monthly cashouts, monthly imbalance charges, daily imbalance charges, and any other applicable charges set forth in the Tariff or in this Agreement, shall be rendered to Supplier on a monthly basis and shall be due upon receipt of said bill, unless otherwise specified in Exhibit A. In addition to any other right or remedy available to the Company, Supplier's failure to make payment within ten (10) days of the posting date on the bill shall result in the addition of interest on any unpaid balance calculated at the maximum monthly rate allowable by the Company's Tariff. Interest shall accrue commencing from the date said bill was posted. The posting date is the date the bill is transmitted to Supplier. The bill may also be transmitted electronically if agreed to between the Parties in Exhibit A.
- 9.1 The Company shall have the right to deduct any amounts owed by Supplier to the Company for such services, which are thirty (30) days or more past due, from any amounts collected in the normal course of business by the Company on the Supplier's behalf. Amounts subject to a good faith dispute will not be subject to deduction.
- 9.2 The Parties agree to cooperate and provide each other with necessary documentation relating

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to any transactions resulting hereunder, including but not limited to, applicable sales or other tax exemptions. The Parties agree that Supplier's failure to comply with the provisions of this Article IX shall constitute default of payment under the Tariff and expose Supplier to liability thereunder as well as under this Agreement.

- 9.3 Consistent with the provisions of Part III, Sections 20.3.1 and 20.3.3 of the Company's Tariff, Supplier shall satisfy the creditworthiness standards established by the Company. In the event the Supplier has not demonstrated satisfaction of the Company's creditworthiness standards, the Supplier shall provide, upon ten (10) days written notice from the Company, financial assurance in the form of an advance deposit, letter of credit, surety bond or financial guaranty from a parent company, as reasonably determined by the Company. The amount of any such financial assurance required by the Company shall be calculated in accordance with the provisions of Part III, Section 20.3.3 of the Company's Tariff. The Company shall review Supplier's satisfaction of the Company's creditworthiness standards every twelve (12) months during the term of this Agreement giving consideration to Supplier's payment history in the preceding twelve-month period. Upon the request of Supplier, the Company shall exercise its sole reasonable discretion to determine whether a change in the form of financial assurance is warranted. In the event that the Company requires financial assurances in the form of a deposit, such deposits shall accrue interest in accordance with the Company's Tariff. Such deposit shall be returned to Supplier within thirty (30) days of the expiration or termination of this Agreement, provided that Supplier is not in default under this Agreement. The Company may deduct from the deposit any amount payable to the Company by Supplier under this Agreement, which has not been paid by the Supplier when due, unless such non-payment relates to a documented billing dispute between Supplier and the Company. Such deduction may be taken by the Company without notice or demand of any kind and the Company may, in its sole discretion, apply such deposit against any amount then due and payable. In the event that Company applies all or any portion of such deposit, Supplier shall deposit such sums as are necessary to replenish the security deposit to its maximum amount, within ten (10) days' notice of such deduction and application.

X. REPRESENTATIONS

- 10.0 Each Party represents that it is and shall remain in compliance with all applicable laws, tariffs, and NHPUC regulations during the term of this Agreement.
- 10.1 Each person executing this Agreement for the respective Parties represents and warrants that he or she has authority to bind that Party.
- 10.2 Each Party represents that (a) it has the full power and authority to execute, deliver, and perform this Agreement; (b) the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate or other action by such Party; and (c) this Agreement constitutes that Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.
- 10.3 Each Party shall exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement, and carry out its duties in accordance with applicable recognized professional standards.

XI. NONDISCLOSURE

- 11.0 Neither Party may disclose any Confidential Information obtained pursuant to this Agreement to any third Party, including affiliates of such Party, without the express prior written consent of the other Party. As used herein, the term "Confidential Information" shall include, but not be limited to, all business, financial, and commercial information pertaining to the Parties, Customers of either or both Parties, Suppliers for either Party, personnel of either Party; any trade secrets; and other information of a similar nature; whether written or in intangible form that is marked proprietary or confidential with the appropriate owner's name.
- 11.1 Confidential Information shall not include information known to either Party prior to obtaining the same from the other Party, information in the public domain, or information obtained by a Party from a third party who did not, directly or indirectly, receive the same from the other Party to this Agreement or from a Party who was under an obligation of confidentiality to the other Party to this Agreement, or information developed by either Party independent of any Confidential Information. The receiving Party shall use the higher of the standard of care that

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the receiving Party uses to preserve its own Confidential Information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. Each receiving Party shall, upon termination of this Agreement or at any time upon the request of the disclosing Party, promptly return or destroy all Confidential Information of the disclosing Party then in its possession.

- 11.2 Notwithstanding the preceding, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, provided that: (a) such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and (b) prior to such disclosure, the other Party is given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any injunction to prohibit such disclosure.
- 11.3 No provision of this Agreement shall prohibit the Company from communicating to its Customers and prospective customers, information regarding Supplier's eligibility to conduct business on the Company's distribution system. In addition, obligations under this Article XI shall survive the termination or expiration of this Agreement.

XII. LIABILITY AND INDEMNIFICATION

- 12.0 The Parties acknowledge and agree that the Force Majeure provisions set forth in Part III, Section 17 of the Company's Tariff are incorporated by reference as if set forth herein.
- 12.1 The Parties acknowledge and agree that the liability and indemnification provisions in Part III, Section 17 of the Company's Tariff are incorporated by reference as if set forth herein.
- 12.2 For purposes of such liability and indemnification, however, the Parties acknowledge and agree that nothing in such Tariff prohibits one Party from impleading the other Party as a third-party defendant, whether or not one or both Parties are named as defendants in the initial claim of a third party. The third-party claim shall be stayed pending resolution of any dispute regarding liability and indemnification under this Agreement. Such resolution shall be final

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and binding upon the Parties only after agreement between the Parties or after entry of a final judgment, after any further appeals of a court of competent jurisdiction to which any appeal may have been taken from the determination of the arbitrator(s).

- 12.3 The Parties acknowledge and agree that for purposes of Part III, Section 17 the Company's Tariff, a Party seeking recovery from the other Party in connection with the performance of its obligations of the Tariff shall not be entitled to recovery where its own negligent acts or omissions contribute to or cause such damages, costs, fines, penalties or liabilities.
- 12.4 The Parties expressly acknowledge and agree that the dispute resolution provision in Article XIII of this Agreement shall apply to any and all disputes arising under this Article, including, without limitation, those disputes that arise as a result of either of the Parties being named as a defendant in the primary action or being named as a third-party defendant by a defendant in the primary action.
- 12.5 Notwithstanding anything in this Agreement or the Tariff to the contrary, in no event shall any Party hereto be liable to any other Party hereto for indirect, consequential, punitive, special, or exemplary damages under any theory of law that is now or may in the future be in effect, including without limitation: contract, tort, N.H.R.S.A. Ch. 358-A, strict liability, or negligence.
- 12.6 Notwithstanding the availability of other remedies at law or in equity, either Party hereto shall be entitled to specific performance to remedy a breach of this Agreement by the other Party.
- 12.7 Supplier further agrees that it shall indemnify, defend and hold harmless the Company with respect to any claim, suit, damages or costs of any kind arising from any action or inaction of the Company in reliance upon the nominations, scheduling instructions or other communications from Supplier. The Parties agree that reliance on such instructions and communications shall be deemed reasonable and shall not constitute negligence.
- 12.8 The provisions of this Article XII shall survive the termination of this Agreement.

XIII. DISPUTE RESOLUTION

- 13.0 Disputes hereunder shall be reduced to writing and referred to the Parties' representatives for

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resolution. The Parties' representatives shall meet and make all reasonable efforts to resolve the dispute. Pending resolution, the Parties shall continue to fulfill their obligations under this Agreement in good faith, unless this Agreement has been suspended or terminated. If the Parties fail to resolve the dispute within thirty (30) days, they may mutually agree to pursue mediation or arbitration to resolve such issues.

- 13.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of New Hampshire, without regard to the doctrines governing choice of law. All disputes arising hereunder shall be brought either before the NHPUC or the state courts of the State of New Hampshire.

XIV. COMMUNICATIONS

- 14.1 Except as otherwise provided herein, any notices given under this Agreement shall be in writing and shall be delivered to the Company as set forth in Exhibit A, by hand or sent by (a) certified mail, return receipt requested, first class postage prepaid, (b) telecopy, or (c) a nationally recognized courier service. Notices and other communications to Supplier shall also be addressed as shown on Exhibit A. Notices given hereunder shall be deemed to have been given upon receipt or any refusal to accept; telecopied notices shall be deemed to have been given upon confirmation of their receipt.
- 14.1 All communications required by the Company's Tariff shall be made in accordance with the schedule listed in Exhibit A. Information on active Company fax numbers and e-mail addresses shall be posted on the Company's Internet Website at [http://www/\[company\].com](http://www/[company].com).

XV. ENFORCEABILITY

- 15.0 In the event that any portion or part of this Agreement is deemed invalid, against public policy, void or otherwise unenforceable by a court of law, the validity and enforceability of the remaining portions thereof shall otherwise be fully enforceable.
- 15.1 No waiver by any Party of any one or more defaults by the other Party in the performance of any provision of this Agreement shall operate or be construed as a waiver of any other present or future default, whether of a like or different character. No delay by either Party in

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enforcing any of its rights hereunder shall be deemed a waiver of such rights.

XVI. ASSIGNMENT AND DELEGATION

- 16.0 Any entity that shall succeed by purchase, merger or consolidation to the assets and properties, substantially or as an entity, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.
- 16.1 Either Party may, without relieving itself of its obligations under this Agreement, assign any of its rights or obligations hereunder to an affiliated entity, but otherwise no assignment of this Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the written consent of the other Party. No assignment by Supplier shall take effect until the assignee has met the requirements of Article IV hereunder. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee.
- 16.2 The restrictions on assignment contained herein shall not in any way prevent either Party from pledging or mortgaging its rights as security for its indebtedness.
- 16.3 In addition, either Party may subcontract its duties under this Agreement to a subcontractor provided that the subcontracting Party shall remain fully responsible as a principal and not as a guarantor for performance of any subcontracted duties, and shall serve as the point of contact between its subcontractor and the other Party, and the subcontractor shall meet the requirements of any applicable laws, rules, regulations, and Tariff. The assigning or subcontracting Party shall provide the other Party with thirty (30) calendar days' prior written notice of any such subcontracting or assignment, which notice shall include such information about the subcontractor as the other Party shall reasonably require.

XVII. MISCELLANEOUS

- 17.0 This Agreement, all Exhibits and attachments hereto and all documents referenced herein, constitute the entire agreement between the Parties and supersedes all other agreements, communications, and representations. Paragraph headings are for convenience only and are not to be construed as part of this Agreement.

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- 17.1 Unless otherwise provided herein, no modification of, or supplement to, the terms and provisions stated in this Agreement shall be or become effective without the written consent of both Parties.
- 17.2 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same document.

In witness whereof, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date above.

[SUPPLIER]

By _____

Title _____

[COMPANY]

By _____

Title _____

EXHIBIT A
COMPANY SPECIFIC PROVISIONS

CONDITIONS PRECEDENT:

Completed Supplier Application

NOMINATIONS AND SCHEDULING:

All nominations should be forwarded to the Company via the following means:

Nominations should be forwarded to the following individuals:

BILLING AND PAYMENT:

All payments should be submitted to the Company via the following means:

and addressed as follows:

COMMUNICATIONS:

All notices and information addressed to the Company shall be addressed as follows:

All notices and information addressed to the Supplier shall be addressed as follows:

EXHIBIT B
COMPETITIVE SUPPLIER INFORMATION

PREDETERMINED ALLOCATION METHOD

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CAPACITY MITIGATION SERVICE

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COMMUNICATIONS:

Inquiries to the Supplier may be made in the following means:

Inquiries to the Supplier shall be made to the following individuals:

III DELIVERY TERMS AND CONDITIONS

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ATTACHMENT F

CAPACITY ALLOCATORS

Rate Class		Pipeline	Storage	Peaking	Total
G-41	Low Annual / High Winter Use	37.0%	23.0%	40.0%	100.0%
G-51	Low Annual / Low Winter Use	61.0%	14.0%	25.0%	100.0%
G-42	Medium Annual / High Winter	37.0%	23.0%	40.0%	100.0%
G-52	Medium Annual / Low Winter Use	61.0%	14.0%	25.0%	100.0%
G-43	High Annual / High Winter	37.0%	23.0%	40.0%	100.0%
G-53	High Annual / Load Factor < 90%	61.0%	14.0%	25.0%	100.0%
G-54	High Annual / Load Factor < 110%	61.0%	14.0%	25.0%	100.0%
G-63	High Annual / Load Factor > 110%	61.0%	14.0%	25.0%	100.0%

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Issued by: *N. Stavropoulos*
Nickolas Stavropoulos
Title: Executive Vice President